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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Hospital talks break down

TUC general secretary Len Murray has been asked to intervene in the hospital dispute after talks at ACAS broke down last night.

Although the general secretaries of the five unions involved were called in to the talks for the first time, no solution was found and there was bitterness afterwards with Clive Jenkins, ASTMS leader, saying the management showed "a complete lack of comprehension."

The management side insisted it had made an "excellent" offer which could not be improved. Back Page

Israel demands

Israel's Cabinet has given outline approval for the draft peace treaty with Egypt but it has put forward amendments which will mean tough bargaining when the Washington talks resume. Back Page

$100m fire bill

Damage resulting from the huge brush fires around Los Angeles is estimated at $100m with at least 186 homes destroyed and 5,000 acres of brushland blackened. Most of the six fires have been contained.

Moslems march

Sixteen people have died in the continuing Iran demonstrations in the past two days. Thousands of Moslems marched at two Tehran universities and there were arson attacks in the northern town of Gorgan.

Portugal PM

Carlos Mota Pinto has become Portugal's prime minister, at 42 the youngest in Europe. He will form the country's 18th government since the Rightist dictatorship was overthrown in 1974. Page 2

Cathedral opens

Liverpool Cathedral, whose foundation stone was laid by King Edward VII 74 years ago, was finally opened by his great grand-daughter, Queen Elizabeth II yesterday. It has cost at least £5m.

Roulette killing

Ronald Shaw, formerly of Bolton, Lancs., was jailed for nine years in Bulawayo for the culpable homicide of his girlfriend. The couple had been playing Russian roulette. The gun twice failed to go off when Shaw pointed it at himself but when he pointed it at the woman—at her request, Shaw claimed—it killed her.

Island sold

Staffa, the Scottish island which includes Fingal's Cave, was sold for £100,000 to an unnamed retired accountant.

Smart idea

Companies should lend their executives and export staff tailored suits to help change the image of the British as the world's worst-dressed businessmen, according to Fred Lintott, president of the Federation of Merchant Tailors.

Briefly . . .

South West water authority has asked consumers to economise because of a dry spell.

Woman was killed by a runaway lorry in Newry, Co. Down.

Author Leslie Antrobus is in hospital with suspected lassa fever.

Work began in Windsor on repairing cobbled streets worn away by tourists.

Five shots were fired at the UK embassy in Pretoria.

Crew escaped when an Australian Air Force F-111 fighter-bomber crashed in the Pacific.

Former Soviet President Mikoyan was buried in Moscow.

Man aged 30 burned himself to death in Birmingham, the fifth such suicide in the UK this month.

Soccer—European championship: N. Ireland 2, Denmark 1; Eire 1, England 1.

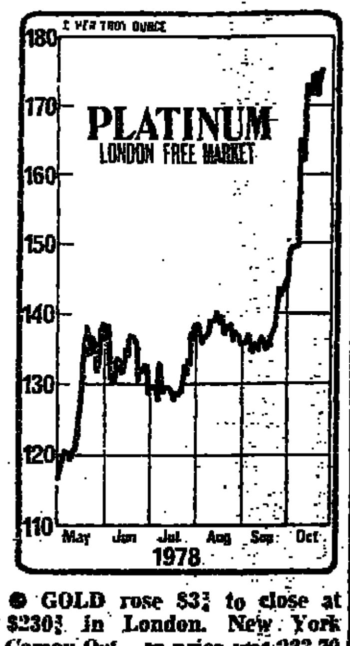
BUSINESS

Equities fall 6.8; gilts stay firm

● LEADING equities saw unexpected selling after dealers marked down prices to attract business, the FT Ordinary Index falling 6.8 to 489.7. Golds rose to record levels on the weaker dollar and Gold Mines index was up 0.1 at 149.2.

● GILTS: Institutional investors remained aloof and the shorts moved narrowly. The Government Securities Index rose 0.05 to 69.58.

● PLATINUM reached a new free market peak price of £175.15 an ounce, up £3.35. Page 39



● GOLD rose $3¾ to close at $230⅜ in London. New York Comex October price was 233.70 (227.90).

● STERLING rose 2.20 cents to $2.0295. Its trade-weighted index rose to 62.2 (62.1). The dollar's depreciation widened to a record 11.9 (11.3).

● WALL STREET was 2.34 down at 830.21 at close.

● LABOUR COSTS per unit of output have been growing at a more rapid rate in recent months, says the Department of Employment Gazette. Back Page

● CRIMINAL penalties on insider dealings were welcome, but there were serious doubts on the relevance of restrictive practices legislation in the securities mark, says the Stock Exchange chairman. Back Page

● HOME BUYING mortgage quota should be raised from £640m a month to over £700m, the Government has been urged by the Leeds Permanent Building Society general manager. Page 8

● SCOTTISH ECONOMY is growing at a faster rate than at any time since 1973 and may again be outstripping the UK as a whole, says a Scottish institute survey. Page 6

● VOLVO's proposed sale of 40 per cent of its capital to Norway is to be discussed at the weekend by leaders of the Swedish and Norwegian Governments. Page 29

● EARNINGS rose 12.6 per cent on average in the year to April with coal miners leading (27.2 per cent), says the Department of Employment. Page 8

● THE TIMES Newspaper has offered to pay its 490 journalists rises of £500 a year each in return for their co-operation in plans to introduce new technology. Page 8

COMPANIES

● SPILLERS half-year taxable profit was little changed at £6.01m (£6.03m) in spite of a £3.5m loss on its discontinued bread-baking activities. Page 25

● UNITED BISCUITS is to acquire Associated Restaurants, which operates the Pizzaland chain, in a deal worth £4.4m. Page 27

● BEECHAM GROUP has made a preliminary takeover bid for Parfums Givenchy, the French perfume company announced. Page 27

● GILL AND DUFFUS, commodities broker, expects £21m (£20.4m) pre-tax profits for the year and announced 2.3p net interim dividend. Page 25

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Dale Elect.	163	− 13
Brown and Jackson	280	+ 6	De La Rue	433	− 15
Haggas (J.)	163	+ 4	Dualvest Cap.	209	− 8
Hoveringham Group	92	+ 4	Dunbee-Combex-Marx	104	− 4
Mowat (Wm.)	53	+ 7	Gill and Duffus	148	− 15
PMA	66	+ 7	Hopkinsons	112	− 6
Stanley (A. G.)	174	+ 6	ICI	385	− 7
Randalls Group	111½	+ 13½	Ladbroke	183	− 7
Bishopsgate Plat.	109	+ 4	ML Hldgs.	185	− 15
Geevor Tin	190	+ 5	Metal Box	334	− 10
Rustenburg Plat.	109	+ 5	Petbow	98	− 24
Tronoh	250	+ 5	Reed Intnl.	170	− 8
FALLS			Runciman (W.)	61	− 5
Bank of Ireland	437	− 13	Thorn Elect.	362	− 8
Brown (J.)	438	− 10	De Beers Dfd.	364	− 13
Costain (R.)	243	− 8	RTZ	246	− 6

Blumenthal takes a tough line as world currency markets react to US moves

Dollar falls sharply after anti-inflation package by Carter

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The dollar fell sharply yesterday in response to President Carter's anti-inflation statement. Trading was very active in foreign exchange markets throughout the world, and the declines would have been even larger but for sizeable central bank intervention.

In one of the worst days for the U.S. currency, rates fell to new lows against several major currencies, while the price of gold jumped to a record level.

The specific anti-inflation proposals, announced late on Tuesday, had been largely discounted by the market, and dealers were disappointed that Mr. Carter did not propose measures more directly aimed at strengthening the dollar and tightening domestic monetary controls.

The market appears sceptical of all the U.S. Administration's intentions until evidence appears of an improvement in the fundamental economic influences, in particular, a turnround in the current account of the balance of payments and slackening in the rate of inflation.

The disappointment of the market with the statement was shown immediately when the Tokyo market opened, and continued throughout the day.

There was some respite following the comment by Mr. Michael Blumenthal, the U.S. Treasury Secretary, about counteracting disorderly markets, but the dollar closed only slightly above its low point for the day.

There was widespread central bank support in Europe, notably from the Swiss National Bank and the West German Bundesbank, while the U.S. Federal Reserve was also reported active.

The main pressures were in Frankfurt, where the dollar's other problems were compounded by a larger-than-expected West German trade surplus. Consequently the U.S. currency fell to an all-time low of DM 1.7730 at one stage before closing at DM 1.7815, compared with DM 1.8090 previously.

The dollar fell sharply against the Swiss franc, down to a low of SwFr 1.5010 before closing at SwFr 1.5125 against SwFr 1.5300.

The weakness of the dollar produced an immediate effect on the London bullion market, where the price of gold per ounce jumped by $3¾ to a close of $230⅜ in active trading. This was slightly below the day's high.

The extent of the market's lack of confidence in the dollar is shown by a decline in the rate of 10¼ per cent against the D-mark since the beginning of September, of 5¾ per cent against the yen and 6½ per cent compared with the Swiss franc.

On a longer-term comparison the U.S. currency has dropped by 21¼ per cent gainst the D-mark in the last 12 months, by 28 per cent against the yen and 32½ per cent against the Swiss franc.

Sterling has lagged slightly behind with a rise of 14.2 per cent by comparison with 12 months ago, just before the rate was allowed to float freely. The pound yesterday increased by 2.20 cents to $2.0295 after a day's high of $2.03. The trade-weighted index rose 0.1 to 62.2.

The strength of sterling has not yet removed some of the uncertainty about Minimum Lending Rate and short-term interests rates in the UK, although money market rates eased slightly yesterday after their recent increase.

The authorities are keeping a close watch on the position. They believe that the growth of sterling M3, the broadly defined money supply, is at a satisfactory rate even after allowing for impact of the so-called corset controls on the banks.

But the authorities are also clearly looking ahead to possibly less favourable influences in future, notably the higher borrowing requirement towards the end of the year.

While the target range for the increase in sterling M3 is the main policy objective, the more rapid expansion of narrower monetary aggregates, such as M1, which includes only cash and current account, is also not being ignored.

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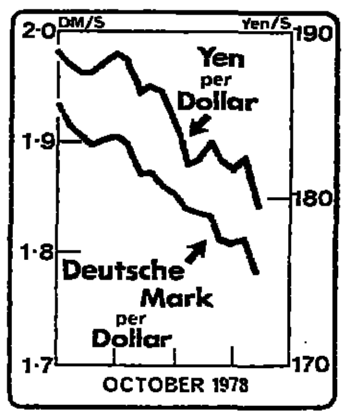

Mr. Blumenthal: tough line

Sellers 'will be resisted'

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Oct. 25.

MR. MICHAEL BLUMENTHAL, the U.S. Treasury Secretary, promised to-day that "sellers of dollars will encounter stiff resistance" on the foreign exchange *markets.*

He told a Press conference that it was "not fair to assume" that the U.S. was unwilling to take additional action to protect the value of the dollar now that President Carter had announced his new, tougher anti-inflation policies.

Mr. Blumenthal said that he was disappointed at to-day's foreign exchange market reaction to the President's proposals. But, he went on, "Foreign exchange dealers tend to act on a moment's thought without looking at the fundamentals."

He argued: "The fundamentals are moving, in my judgment, strongly in our direction and strongly in the direction of strengthening the dollar."

He cited the improved prospects for the U.S. current-account deficit, noting that the International Monetary Fund and other private institutions were projecting a reduction next year far greater than the Treasury's own conservative 30-40 per cent cut: better trade flows; the inauguration of a strong anti-inflation policy, to which President Carter's "well known persistence and tenacity" would be applied; the renewed presidential commitment to lower the federal budget deficit and the recent passage of the Energy Bill.

He described the items as positive factors that would be reflected in the foreign exchange markets. He said repeatedly that the U.S. would move to counter disorderly market conditions, had measures under constant review and would act if necessary.

Mr. Blumenthal emphasised that it would be incorrect to assess the new anti-inflation programme, presented in a nationally televised address last night by the President, principally on the provisions for voluntary wage and price guidelines.

Mr. Carter's pledge to cut next year's budget deficit to $30bn or below "means that Government spending will be more tightly controlled than ever," he said.

Moreover, he argued, fiscal restraint would be accompanied by appropriate monetary policy. He denied that the President had been criticising the Federal Reserve for raising interest rates *excessively and said that the* Administration agreed with the Fed that high interest rates were a natural consequence of inflation. If the new programme worked and inflation abated, interest rates might fall, but not before.

Reaction to the programme has been muted. Complex in nature, it sets voluntary wage ceilings of 7 per cent increases over the next year, and 5.75 per cent for prices. In addition there are the strong budgetary constraints alluded to by Mr. Blumenthal today, plus a variety of sanctions that the Government may use against those exceeding the guidelines, most notably Government procurement policies.

The Republican Party, seeking capital for next month's mid-term election has criticised the measures as "too little, too late."

Little union response has emerged, largely because the most novel proposal, the so-called "real wage insurance policy," was only communicated to union leaders late yesterday afternoon.

The plan constitutes a clear invitation to the unions to swallow their previously stated misgivings that the President would lean more heavily on the wage side than on prices. If passed by Congress next year it will compensate workers who sign contracts not exceeding the 7 per cent wage guideline by providing them with a tax rebate if the rate of inflation exceeds 7 per cent.

Mr. Frank Fitzsimmons, head of the Teamsters Union, whose wage settlement early next year will set trends, issued a statement that the union's demands would be worked out later and

Continued on Back Page

£ in New York

—	Oct. 25	Previous
Spot	$2.0480-0520	$2.0100-0110
1 month	0.29-0.25 dis	0.33-0.27 dis
3 months	1.04-0.98 dis	1.06-1.00 dis
12 months	4.35-4.20 dis	4.60-4.60 dis

German trade surplus jumps

By Adrian Dicks

BONN, Oct. 25.

THE WEST German trade surplus, already running well ahead of last year's, showed another large jump in September to DM 4.7bn (£1.3bn). This was DM 1bn more than September 1977, and DM 1.6bn higher than the August surplus.

The September figures give West Germany a surplus on the trade account alone of DM 28.5bn (£7.8bn) for the first nine months of this year, compared to DM 26.3bn (£7.2bn) for the same period of 1977.

For the current account as a whole, today's figures show a surplus for the first nine months of DM 6.5bn (£1.8bn), against *virtual equilibrium for the first* nine months of 1977. Last month alone, there was a surplus of DM 1.1bn on the current account, at a time when West German tourist spending abroad and foreign workers' remittances often balance out the trade account.

The September figures suggest that the terms of trade continue in West Germany's favour. The volume of exports was up 5 per cent during the first nine months, while that of imports rose 7 per cent for the period.

Confidence

In keeping with this performance, the latest survey of business opinion by the IFO Institute of Munich reveals a further gain in confidence by manufacturing industry last month.

Two-thirds of companies described business conditions as good or satisfactory, but the remainder thought they were bad. Most companies reported a reduction in stocks to what they considered normal levels, although more than one-third said their order books were too low.

The outlook for exports was judged by a majority to be satisfactory and the prospects for prices remained on the whole stable.

The most notable improvement, according to IFO, was registered by the semi-manufactures sector, influenced notably by the paper and pulp and the building materials producers. Some improvement was also reported by the steel sector, doubtless thanks to the European price regime.

In the capital goods sector, often seen as the key to West German business conditions, there was a broad improvement in demand. The machinery and plant construction industry significantly reported running into manpower shortages which now affect one company in 10.

TUC may join Ministers to monitor price increases

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC and Ministers may agree to monitor price rises jointly, Mr. Len Murray, TUC general secretary, said yesterday.

Speaking the morning after the latest private talks between Ministers and TUC leaders, Mr. Murray said he hoped a joint declaration or agreement would be reached by mid-November.

A third big employer broke the Phase Four incomes policy yesterday, adding to the pressure on the Government to relax its 5 per cent pay limit as the TUC is demanding.

Michelin UK offered its 8,000 manual workers 9 per cent, with possibly another 2½ per cent to come, justifying its offer as a move to secure continuity of production and business efficiency. It could set the pace for another 45,000 rubber workers.

Ford Motor has offered 8 per cent to its 57,000 striking workers and is expected to raise the offer tomorrow. British Oxygen has offered 3,000 workers 8 per cent.

The TUC general council was told by Mr. Murray that there was no chance of an agreement being reached with the Government before the Queen's Speech next Wednesday, although the Prime Minister had been hoping for that.

He tried to reassure the council that the union negotiators—the six TUC members of the National Economic Development Council—would not dishonour Congress policy to resist any Government pay norm or limit, nor come to agreement without full consultation.

He said Ministers had been "quite positive" in their response to the TUC's demand that a prices target, not a pay target, should be set as the way of bringing inflation below its present 8 per cent level.

Some unions are calling for direct TUC representation on the Price Commission, but Mr. Murray discounted this idea yesterday and said there was no wish to "resurrect old corpses" by setting up a body like the former Prices and Incomes Board.

The joint monitoring would take the form of regular and "structured" meetings between the TUC and Ministers, he said.

Asked if the TUC was not looking for a back-door method of restraining pay rises, Mr. Murray said that the TUC's demands were no contradiction of Congress policy.

The TUC had always been prepared to talk about pay provided it was seen as just one element. It had not denied that pay was a factor in inflation, but

Continued on Back Page

Other labour news Page 8

British Rail seeks 10% fares rise

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

BRITISH RAIL has told the Price Commission that it wants to put up fares by an average of just under 10 per cent from next January.

The Commission has until the middle of next month to respond. But it is thought unlikely that it will opt for a full-scale investigation of the increase as it did last year.

That investigation ended with support for rises averaging almost 15 per cent, although a number of minor ticket price proposals were modified before the investigation began.

The Commission did, however, argue that British Rail was not justified, on the basis of existing statistics, in weighting fare increases against rail travellers in London and the South-east where the increase averaged over 16 per cent.

This year, British Rail, is not proposing to load fares in London and the South-east, where there has been a £3m revenue growth this year due to more successful marketing of off-peak travel.

The fare proposals put to the Price Commission are in line with those reported in August following British Rail's half-year review.

British Rail's freight service, a heavy loss-maker in recent years, is also on target to break even this year, in spite of a reduction in traffic caused by the steel recession.

Revenue from passenger services last year totalled £595m and British Rail received grants of £364m from central and local government to meet losses.

Normally, about 20 per cent of the extra revenue is lost after a fares increase because of passenger resistance. So the increases proposed from January should yield an effective 8 per cent (around £60m), which is close to the present level of general inflation.

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EUROPEAN NEWS

Holland may face sharp cuts in public expenditure

BY CHARLES BATCHELOR AMSTERDAM, Oct. 25.

HOLLAND FACES a gloomy economic future, according to a number of the country's leading economists. The prospect is for many years of nil or low income growth and for even more extensive public spending cuts than those already planned, speakers told a symposium organised by the Dutch Management Association (NIVE).

The decline of Holland's natural gas reserves means real incomes will mark time, or at most rise only slightly, for a number of decades, said Professor Hans Weitenberg, Assistant Director of the Central Planning Office, the country's major economic forecasting institute.

Industrial production must expand by at least 5 per cent a year to allow sufficient exports to compensate for the loss of natural gas export revenues and to pay for energy imports. But output is expected to rise only 3-3.5 per cent, in 1979.

The large volume of investment required to restructure industry and to develop other sources of energy means there will be little left over to finance increased consumption. There will be little room for higher wages or for any expansion of public sector spending.

Professor Weitenberg warned that Holland could no longer afford to compensate wage earners for higher energy prices. In the past the government has allowed extra wage rises to make up for increased gas tariffs. He suggested investment premiums could in future be given partly on the basis of a company's export role.

Dr. Wim Duisenberg, Finance Minister in the last government, said that the public spending cuts now planned must be followed by further cutbacks to compensate for the loss of gas revenues. Dr. Duisenberg, who is now a director of the Centrale Rabobank, said further public spending cuts will be necessary since the alternative, curbs on wages, is unrealistic.

There is no way in which the poposed spending cuts of Fl 10bn ($5bn) could be reduced, he said. The Government gained Parliament's approval for most of its austerity measures earlier this month. Some detailed proposals were rejected though and the impact of this on the total package is not yet clear.

If the proposed cuts are not carried out then savings must be made elsewhere, Dr. Duisenberg said. Increased taxation is not the answer to the high levels of public spending.

Dr. H. Ruding, a director of the IMF, warned that it is already late in the day to start taking measures to compensate for the decline in Holland's gas reserves. Revenues from gas exports should not be used to finance consumption and transfer payments but should be invested in improving the structure and competitiveness of industry, he said.

Commission sets up panel on energy use

By Guy de Jonquieres, Common Market Correspondent

BRUSSELS, Oct. 25

THE EUROPEAN Commission announced today the establishment of a panel of 12 independent public figures from eight EEC countries to study ways in which the European Community could achieve a sustained level of economic growth over the long term, while keeping energy usage to a minimum.

The panel, which has already been dubbed informally "the high-level committee on low-level energy consumption," is chaired by M. Jean Saint-Geours, head of a Paris consulting firm, a member of the Club of Rome, and an adviser on energy matters to the French Government.

The British members are Lady Kennet and Mr. Gerald Leach, of the International Institute for Environment and Development. Other members include an official of the French CFDT trade union, a senior executive of Shell Germany, an Irish woman Senator, and a member of the research and development team at Montedison of Italy.

The panel has been instructed to draw up by next May a preliminary report attempting to identify areas in which the Community could devise policies enabling it to meet economic, environmental and social objectives, while couserving energy more effectively than at present.

The EEC has already agreed, in a draft declaration drawn up before last summer's Bonn economic summit, on the desirability of trying to attain a ratio of 0.8 per cent energy growth for every 1 per cent of growth in gross domestic product, instead of the one-to-one relationship which has prevailed in the past. A few concerted steps have been taken at an EEC level to meet this goal.

Meanwhile, a leading Belgian oil industry representative called today for the establishment of an "Atlantic energy community," in which the U.S. and Europe would work more closely together in an attempt to achieve a better balance between production and demand.

● The European Commission is understood to have proposed today to grant Greece a five-year period of transition for most of its agricultural products when it enters the Community, AP-DJ reports from Brussels.

THE NEW PORTUGUESE PREMIER

Striving for consensus

BY JIMMY BURNS IN LISBON, OCT. 25.

THE APPOINTMENT today of Sr. Carlos Mota Pinto, as Portuguese Premier shows that the country's politics are nothing if not varied.

In the four and a-half years since the Left-wing military coup toppled nearly half a century of dictatorship, Portugal has swung between the opposite extremes of a threatened resurgence of Right-wing authoritarianism and the possibility of a workers' revolutionary state. It has now settled somewhat shakily into the mould of a Western parliamentary democracy. Today, one military coup, two attempted counter-coups, six provisional and four constitutional governments later, one might justifiably ask whether Sr. Carlos Mota Pinto, the country's seventh Prime Minister in four years, can survive.

Already the 42-year-old lawyer appears to have had a healthier start to his new career than his predecessor, Sr. Alfredo Nobre da Costa. Sr. Mota Pinto's appointment as Prime Minister has gone down well with both the Socialists and the Conservatives (CDS), whose combined vote of rejection abruptly put an end to Sr. da Costa's 17-day administration last month. Less clear is the attitude of the second major parliamentary party, the Social Democrats (PSD), the only party to have voted for Sr. da Costa in September. Sr. Mota Pinto is himself a PSD "dissident," having once been the party's parliamentary leader. He left the party in December 1975 after a disagreement with the PSD's present leader, Sr. Francisco sa Carneiro, over party organisation.

Although the new Prime Minister is now without formal party links, he is politically to the Left of the Centre-Right image recently struck by Sr sa Carneiro. He favours, for example, a closer alliance between his former party and the Social Democrat elements within the Socialist Party. This could be a further point in Sr Mota Pinto's favour since it is an attitude known to be presently shared by an influential sector within the PSD.

Initially therefore Sr Mota Pinto's appointment appears to have restored an element of consensus among Portugal's politicians which has been distinctly absent since the collapse of the Socialist-Conservative alliance in July.

To be assured of majority parliamentary support, however, much will depend on the kind of government which the new Prime Minister forms within the next few days. The Communist Party, for instance, has already stated that its final attitude depends on this.

Sr. da Costa's Administration fell not because of its lack of competance but because of its inherent ambiguity. Although it was originally intended as a caretaker government until the political parties had reached a new agreement, Sr. da Costa and his ministers showed from the outset clear signs that they were prepared to play more than a stop-gap role. In addition, having the label of "political indepence," Sr de Costa placed politically controversial individuels in key ministries such as that of Labour and Social Affairs. Both factors drew the combined wrath of the Socialists and the Conservatives.

Finally, although it was chosen within a democratic framework, the formation of a government with no official links with the main political parties and relying simply on the support of the presidency, appeared to threaten the Portuguese parliamentary system. Sr Mota Pinto will therefore need to use all his skills as a lawyer to clarify the nature of his Goverment, and to restore the damaged relationship between Parliament and the Presidency.


Sr Carlos Mota Pinto Prime Minister designate

Sr Mota Pinto clearly has a difficult task ahead of him, not made any easier by Portugal's pressing social and economic problems. The banking and business community moreover, both within and outside Portugal will be mourning the passing of Sr de Costa and his goverament of technocrats who during their brief existence appeared to implement policies rather than talk about them.

French prices rise by 0.6%

By David White

PARIS, Oct. 25

THE RISE in French consumer prices was kept back to 0.6 per cent in September and the Government is now hoping to end the year around the 10 per cent mark.

The September rise was the same as in August, which is usually low because of the lack of information available during holiday shop closures.

The increase in the first nine months of the year was 7.6 per cent and the September figure was 9.2 per cent up on September last year. The annual rhythm of the inflation, based on the last three months' figures, was 10.4 per cent, according to the INSEE statistics institute.

The low September figure is something of a mystery since the breakdown of price categories gives increase of 0.7 per cent for services and manufactured goods and 0.8 per cent for food. The Government explained that the figures had been "rounded off."

● The pace of consumer price rises in the European Common Market again increased in September with the prices index rising 0.6 per cent over August and 7.4 per cent from September last year, the EEC's statistics office said today, report Reuter.

The consumer prices index, based on 1975, rose to a provisional 133.9 in September from 133.1 the previous month.

Gromyko visits Paris in bid to improve relations

BY ROBERT MAUTHNER

PARIS, Oct. 25.

MR. ANDREI GROMYKO, the Soviet Foreign Minister, arrived here today for talks later this week with President Giscard d'Estaing and M. Louis de Guiringaud, the French Foreign Minister, aimed at breathing new life into a relationship which has become distinctly cool over the past year.

France's military intervention in Zaire earlier this year, its increasingly close relations with the U.S. and, not least, its friendly relations with China, have all aroused Moscow's iritation, if not open hostility.

What is certain is that the old special relationship between the Soviet Union and France, initiated by General de Gaulle and carefully nurtured by his immediate successor, M. Georges Pompidou, has been significantly watered down. But while it comes lower on the French Government's list of priorities than in the past, it is clear that President Giscard still attaches great importance to balancing the improved Paris-Washington climate by as good relations as possible with Moscow.

The great efforts which China is making to establish close diplomatic and trade relations with leading Western countries is plainly complicating France's task. President Giscard has no intention of sacrificing its new friendship with Peking on the altar of Franco-Soviet relations, particularly since big commercial cotracts are at stake.

Whatever Mr. Gromyko has to say about the imminent deal on missiles between Paris and Peking will have little or no effect on French determination to step up its trade with China. But Paris has nevertheless made one important concession to Moscow by emphasising that it will sell only defensive weapons to China. A Chinese request to buy the latest French Mirage strike aircraft has reportedly been turned down by the French Government so as not to offend the Soviet Union.

Reuter adds from Rome: President Giscard arrived today for his first official visit to Italy and an audience with Pope John Paul II. The proposed European Monetary System and the enlargement of the European Community are the main topics which he will discuss with Sig. Giulio Andreotti, the Italian Prime Minister.

Italian politicians are expressing increasing misgivings over the prospect of Italy joining the proposed European Monetary System, which West Germany and France want to put into operation at the beginning of next year.

EEC budget cuts restored

By Giles Merritt

LUXEMBOURG, Oct. 25.

THE EUROPEAN Parliament today voted to restore almost all of the expenditure cuts made to the Brussels Commission's 1979 budget by the Council of Ministers.

At the end of a three day session here during which European Parliamentarians have heavily criticised the European Council's austerity measures, amendments that would reinstate budgetary commitments totalling £535m were passed by the House.

These would cancel out a major proportion of the £674m cuts that the Council imposed on the Commission's preliminary draft budget of £9,366m when it reduced it last month to a draft budget of £8,692m.

Although the European Parliament did not vote through all of the 300 amendments agreed 10 days ago by its 35-member Budget Committee, the level of spending now being demanded by the Parliament is substantially higher than the £450m figure that it was originally predicted the Parliament would tack onto the draft budget.

Turkey pledge on foreign capital

BY METIN MUNIR

ANKARA, Oct. 25.

A NEW indication that Turkey may be on the verge of radically improving the atmosphere for foreign companies came today from Prime Minister Bulent Ecevit's Minister of Industry and Technology, Mr. Orhan Alp.

"My Government believes in foreign capital and the contribution it can make to accelerated industrial development," he said in an interview. "We believe that we are in need of foreign capital more than anything else. Every sort of possibility exists for foreign capital in Turkey. I take this opportunity to invite them."

The Government is planning to attract $1.2bn of private capital investments in the next 5 years, $960m from EEC companies.

"We are not making any conditions either," said Mr. Alp. He added, however, that "Naturally, like every other country, we place special emphasis on export generation and the introduction of new technology by foreign capital."

Bureaucratic impediments, which have been among the main obstacles to foreign investments, would be removed and "if necessary" Law 6224 on the Encouragement of Foreign Capital would be amended.

Several Government agencies have recently prepared a Foreign Investment Code to supplement Law 6224, which is expected to be finalised by the Government and announced at the beginning of next year.

Departing radically from the established pattern, Mr. Alp said that "every possible facility" would be extended to foreign capital for the production of metals and minerals, fields in which foreign investments were hitherto not welcome.

"We shall always be at the service of those who will open new places of work, new plants and who will establish new corporations for the production of metals and minerals," he said. "Every facility possible will be extended to them. Like other branches of industry this is open to foreign capital."

He was particularly anxious to draw investments into the petroleum field but also listed minerals like phosphate, boron salts, aluminium, iron, chromium, manganese, magnesite, zinc, lead, wolframite and antimony.

Mr. Alp said that his words represented the sentiment prevailing in the 10-month-old Ecevit Government.

Turkey has attracted little foreign investment in relation to its size, potential, association with the EEC and proximity to the lucrative markets of the Middle East. This was mainly owing to negative attitudes by governments and bureaucrats which did not match the spirit of the Foreign Investment Law which is among the most liberal in the world.

Reuter adds from Ankara: A planeload of U.S. military supplies to Turkey, which were held up by an arms embargo arrived here today as Mr. Gunduz Okcun, Foreign Minister, stressed his country's interest in broad co-operation with the U.S. beyond the needs of defence.

AP adds from Istanbul: A mob of Left-wing youths today attacked a van carrying a U.S. diplomat, setting it on fire at a busy junction in the centre of Istanbul, U.S. consulate officials reported. Mr. John Ritchotte, U.S. Cultural Attache in Istanbul, escaped unhurt.

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The typical Swiss is a Frenchman, a Rhaeto-Roman, a German, and an Italian. Or a combination. In western Switzerland it's the French TV broadcasts you get, in German Switzerland the German or Austrian programs, and in the Ticino the Italian.

The typical Swiss enjoys French, Italian, and Swiss food. He speaks German or French or Italian or Rhaeto-Romanic.

He likes to play boccia, boule, or to bowl. He likes to read Paris-Match, Stern, or Oggi.

He takes his holidays on Lake Geneva (the Riviera of Switzerland), in Ascona (the Capri of Switzerland), or in the Jura (the Black Forest of Switzerland).

Has a Swiss nothing of his own? Is he a weathercock, a jack-of-all-cultures?

No, but the history of Switzerland has taught the Swiss to look out across frontiers, and has taught various races to get along together.

What Switzerland has is not tradition but traditions.

The world does not end with the front doorstep. Perhaps that may do something to explain why Swissair today flies to 93 destinations the world over, and why it feels as much at home in the Far East as in Africa, in South America as in Eastern Europe, in North America as in the Middle East.

And perhaps it does something to explain why passengers of all nations feel a bit at home with Swissair.

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SWISSAIR

China urges Japan-Europe to compete for its markets

BY CHARLES SMITH TOKYO, Oct. 25.

CHINA NEEDS all the help and assistance it can get from both Japan and Europe if it is to succeed in reaching the targets set out in its economic midernisation programme, Vice-Premier Teng Hsiao-ping told a press conference here today. Mr. Teng said that the target of raising agriculture, industry, science and defence to the same levels as those in advanced countries by the end of the century would be exceedingly difficult to achieve. "However we can have confidence if we adopt the attitude of learning from others."

Science, technology and finance could be taken into China from Japan "in many ways," Mr. Teng said. China should also try to learn from all other developed countries and "from the experiences of poor people in the third world." A recognition of China's present backwardness was essential for future economic progress, Mr. Teng added. "If you have an ugly face you should not pretend you are pretty."

On Japan-China trade Mr. Teng said that the private level $20bn trade agreement signed in February was "not sufficient" to meet the needs of China's development programme. The agreement should be "doubled and doubled again." This did not mean, however, that China was committing itself entirely to Japan — there would also be plenty of opportunities for Europe to step up trade with China. "I tell my European friends: 'Please compete with Japan'."

Mr. Teng's stress on economic co-operation with the West followed a warning that "peoples of all countries should step up their vigilance against these strategic plans of hegemonists" which could lead to the outbreak of a third world war. Japan stood beside China in its opposition to hegemony, Mr. Teng claimed, which was why the recently signed Japan-China Treaty of Peace and Friendship contained a clause committing both nations not to seek hegemony and to oppose the efforts of other nations to seek it. Mr. Teng said the "anti-hegemony" clause in the Japan-China treaty was the first of its kind to be included in any international treaty.

Mr. Teng's visit to Japan, the first by any top Chinese leader since the establishment of the Peoples Republic in 1949 began last Sunday and continues until the end of the week. The visit has been largely ceremonial and symbolic in its character. The Vice-Premier has made a point of calling on Japanese politicians who played a part in improving Japan's relations with China in the past (including the now-disgraced ex-Prime Minister Mr. Kakuei Tanaka) but has apparently held no substantive talks on trade or finance.

Apart from setting the seal on the new entente between Tokyo and Peking Mr. Teng's visit has allowed to gain a personal impression of Japan's economic strength from visits to factories. For Mr. Takeo Fukuda the visit has been timed rather happily to come immediately before the start of primary elections for the leadership of the ruling Liberal Democratic Party in which the PM is the main candidate.

AUSTRALIAN CONTROLS

Importers surprised

BY OUR OWN CORRESPONDENT TOKYO, Oct. 25.

JAPANESE IMPORTERS of Australian coal and iron ore claim to be upset and surprised by the announcement that the Canberra Federal Government plans to impose guidelines for future raw materials export contracts in order to ensure "fair and reasonable prices."

There is uncertainty in Tokyo about the precise implications of the Australian policy, but there are fears that it could create serious difficulties for the next round of coal export negotiations due to be held before the end of this year. No major negotiations on iron ore are due until 1979.

Importers say that the prices of Australian iron ore shipments to Japan have fallen in 1978 but not excessively by comparison with the price of Brazilian iron ore. Mr. Douglas Anthony, the Australian Minister concerned, may not have "fully understood" the Japanese position, say importers.

In theory, Japan could switch its purchases of coal and iron ore to other suppliers after the expiry of the existing one and two-year contracts. In practice, the amounts involved are so great that it would be hard to make any large-scale switch.

New policy angers state Premiers

BY JAMES FORTH SYDNEY, Oct. 25.

THE PREMIERS of Australia's major mineral-producing states have reacted angrily to the federal government's new policy of controlling export terms for coal, iron-ore, bauxite and alumina. Executives of major mining companies affected by the new controls responded cautiously.

The most outspoken critic was Sir Charles Court, the Western Australian Premier, who claimed the policy could be used to discriminate between projects and states, could slow down the processes of trade negotiations and place potential markets at risk, gravely inhibit essential resources investment, deprive Australia of the full and proper use of commercial marketing skills and seriously damage Australia's reputation in trade and investment.

Sir Charles spoke to Mr. Malcolm Fraser, the Prime Minister, at 2 o'clock this morning after he heard of the export controls, which transfer power to decide the terms of a contract from the producing companies to the federal government.

Sir Charles said Mr. Fraser had agreed to begin discussions on the announced proposals and claimed that the announcement of the new policy breached an understanding with Mr. Fraser that he would first be consulted before any such changes were proposed.

OPEC chief on prices

ABU DHABI, Oct. 25.

OPEC SECRETARY General Ali Jaidah said here OPEC must either raise oil prices or replace the dollar for setting oil prices with a basket of currency.

In a radio interview here quoted by the emirates news agency he said that these were the only two alternatives for OPEC in the face of the continuous decline in the value of the currency.

He said OPEC states' revenue losses were at least 30 per cent but did not say over what period.

Reuter

KENYA'S VICE PRESIDENT MWAI KIBAKI

A technocrat to tighten belts

BY JOHN WORRALL IN NAIROBI

Mr. Mwai Kabaki

OF ALL the dispositions President Daniel Arap Moi has had to make since he inherited the Kenya presidency from Jomo Kenyatta, the most important was the appointment of his vice-president. His choice of Mr. Mwai Kibaki, Minister of Finance and Economic Planning, and a leading member of the dominant Kikuyu community, has been welcomed throughout the country and praised abroad.

It was perhaps inevitable that President Moi, from the small Kalenjin tribal grouping, would select a Kikuyu, thus maintaining the tribal balance in the top executive which was so successfully initiated by Kenyatta.

But Mr. Kibaki is also perhaps the ablest member of the Cabinet. An economist, at 47 he is one of the youngest ministers. As finance and planning chief he has been mainly responsible for Kenya's economic stability and success in recent years.

The industrial, commercial and professional communities are pleased with the appointment. The two men make a strong team to lead Kenya into the uncertainties of the post-Kenya era.

The country has got off to a good start with a trouble-free, well-managed transition to the Moi presidency. But nobody is under the illusion that the coming year will be easy for Kenya. A general election has to be held, and it is likely to be turbulent. With exports down and imports up, there are prospects of much belt-tightening ahead.

Mr. Moi has repeatedly pledged himself to act against corruption and land grabbing in high places. He may have to make decisions which will be unpopular with some sections of the establishment, but will be extremely popular in the country as a whole. Already Kenya detects some iron behind that mild, charming, schoolmasterly exterior. The growing belief is that he means business. He will need all the friends he has.

The Moi-Kibaki team ("Moi and Mwai" as is is being called) is a good combination. Kibaki, who is one of Moi's oldest cabinet friends made the running in the campaign to confirm Moi as president, and in fact seemed to be stage-managing it.

On the day of Kenyatta's death he organised and read out to the Press the unanimous cabinet resolution pledging loyalty to Moi as acting President.

Another key man, also a firm friend of Moi, is Mr. Charles Njonjo, the Attorney-General, a Kikuyu. He is the third man in a strong triumvirate of power.

Mr. Kibaki has retained the portfolio of finance, but the planning side has been hived off to another rising man, Dr. Robert Ouko, who is Minister of Community Affairs, charged with sorting out the complex financial muddle left by the demise of the East African Community.

Mr. Kibaki's retention of this key ministry suggests that the vice-presidency will not be all that time-consuming under the new administration. In recent years Mr. Moi had taken over from the ageing Kenyatta a vast amount of presidential duties, such as speaking all over the country and travelling abroad.

A large, comfortable looking man who smiles a lot, wears impeccable suits and has a fondness for bright shirts, Kibaki comes from a poor farming family at Othaya, in the Nyeri district. As a child he herded goats and cattle and went to a mission school. He moved on to high school and, a very rare event in colonial days, made it to Makerere University in Uganda, where he graduated in 1954 with a first class honours degree in economics, political science and history. He went on to the London School of Economics, where he took a degree in public finance and then back to Makerere as a lecturer.

He returned to Kenya to help with the formation of the Kenya African National Union (KANU), the party of Kenyatta and now the only one in the country.

He was appointed parliamentary secretary to the Treasury, and, moving up in the department for which he was ideally suited, he became Assistant Minister for Finance under the then Finance Minister, Mr. James Gichuru.

In 1965 Kibaki was appointed chairman of the Planning Commission in the Finance Ministry which later became the Ministry of Planning under the late Tom Mboya. His first ministry was Commerce and Industry which he held till the 1969 elections when he was made Minister of Finance and Planning. He has held this portfolio ever since.

Black union plan for S. Africa

By Quentin Peel

JOHANNESBURG, Oct. 25.

PLANS FOR a National Federation of Black Trade Unions in South Africa are well advanced, following agreement this week on a draft constitution and broad policy guidelines.

The federation, which is likely to be formally established by next February, will provide a central pool of industrial relations expertise and services for unregistered black trade unions. But it also threatens to divide further the already fragmented black union movement in the country.

So far, 12 trade unions have agreed to participate, and four interim committees have been set up in Natal, the Eastern and Western Cape, and in the Transvaal. But the Black Union Movement in the Transvaal has split over the issue, and another group is now planning to set up a rival federation.

The planned Federation of South African Trade Unions (FSATU) is strongest in the Eastern Cape motor industry, the metal and engineering industries, textiles in Natal and among glass workers in the Transvaal.

PLO spurns U.S. offer to take part in West Bank elections

BY IHSAN HIJAZI BEIRUT, Oct. 25.

THE PALESTINE Liberation Organisation (PLO) has rejected an American offer to participate in the creation of self-government in the West Bank and the Gaza Strip as proposed under the Camp David accords.

The Lebanese daily As Safir said the offer was included in a message conveyed to Mr. Yasir Arafat, the PLO chairman, by Saudi Arabia. It said, according to the report, that the Jimmy Carter administration "does not object to PLO participation in elections to self-rule in the West Bank and the Gaza Strip."

Mr. Arafat reportedly rejected the offer and pointed out that it was evidence that the PLO could not be ignored in attempts to seek a Middle East solution.

The Saudi Government, in passing on the message, apparently explained that it was not in any way connected with it.

● The Saudi riyal was yesterday revalued upwards to 3.27 riyals to the dollar, the Saudi Monetary Agency has told dealers. This is the 10th in a series of slight adjustments since July 10 since when the dollar has fallen by 5.2 per cent against the riyal.

Owen confirms Zambian arms

BY MARTIN DICKSON

DR. DAVID OWEN, the British Foreign Secretary, clearly indicated yesterday that Britain is to provide Zambia with new military equipment but he emphasised that this would be for defence purposes only.

As Dr. Owen was speaking, President Kenneth Kaunda of Zambia announced that 31 members of his security forces had been killed in contacts following last week's Rhodesian raids on the Zambian camps of Mr. Joshua Nkomo, the co-leader of the guerrilla Patriotic Front.

Dr. Owen said there would be no question of sending British troops or aircraft to Zambia.

Reports from Zambia suggest that the Lusaka Government, which feels the West has left it in the lurch, will not be happy with the conditions on the use of equipment.

Dr. Owen gave no details of what Britain might provide. But it is understood to include help with refurbishing Zambia's Rapier missile system, which appears to be out of use. Other possible equipment includes mine detectors and command and control communications equipment for ground forces.

Dr. Owen said that defence assistance, together with British economic aid, had been discussed at the "very significant" meeting in northern Nigeria between President Kaunda and Mr. James Callaghan, the British Prime Minister. This meeting, he argued, had been important because the two countries had agreed to tackle the problems of southern Africa together, rather than split apart.

Huge road damage in West Bengal floods

By Our Own Correspondent

CALCUTTA, Oct. 25.

WHILE WEST Bengal's flood-hit districts are limping back to normal, a preliminary assessment of the economic damage shows that practically the entire rural infrastructure in the affected areas has gone. The floods affected some 4,452 kilometres of roads while 2,000 kms were completely destroyed. This cut off all road communications between Calcutta, the capital of the state, with district and sub-divisional headquarters for two weeks. The links have only just been restored by patchy repairs but it will take several weeks and at least Rs 500m (£31m) to bring the roads back to their original condition.

The floods have left millions homeless but the number has not been finally computed. In Burdwan district alone 1m people are without any kind of shelter. Houses washed away are placed at nearly 200,000 and those totally destroyed come to 50,000 on a rough count. The homeless and workless are posing the main problem for the state government which fears a big trek to Calcutta city in the near future.

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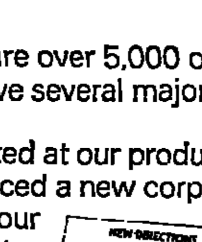

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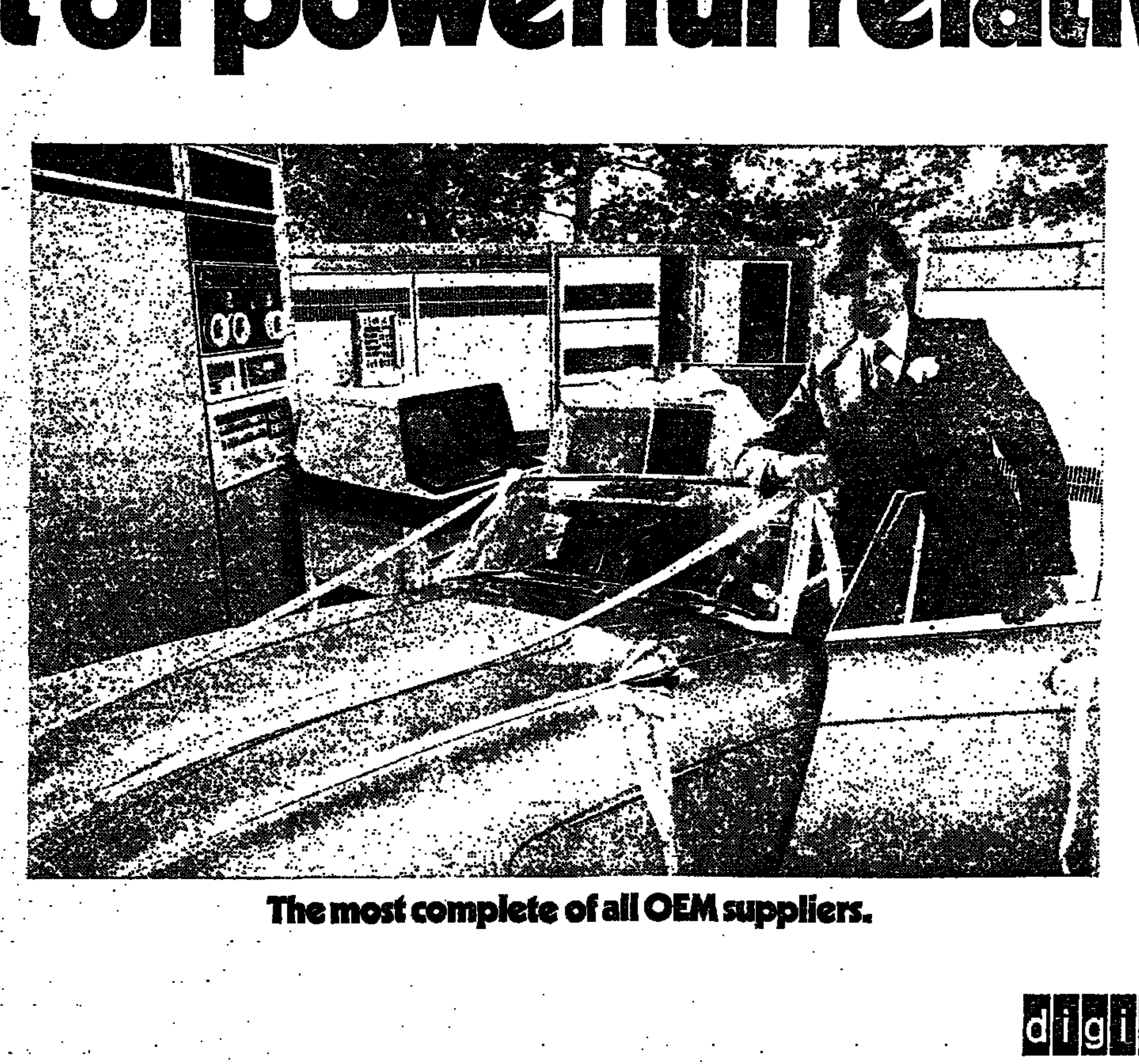

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Carter's anti-inflation package

White House poised to sell inflation plan

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Oct. 25.

SENATOR EDWARD KENNEDY from Massachusetts has been turing the country recently arguing that special interest groups are running rampant and threateing to make the task of Government impossible. It is a theme that President Carter took up yesterday morning as he addressed his Cabinet on his new anti-inflation package: these same narrow interests, he said, were already arming themselves to dismember his proposals.

Again, in his televised speech to the nation last night, he made a similar direct appeal to the public. Quoting Sir Winston Churchill's famous war-time rallying cry, Mr. Carter said: "There are those today who say that a fre economy cannot cope with inflation and that we have lost our ability to act as a nation rather than as a collection of special interests. And I reply: 'What kind of people do they think we are?'"

Evoking the spirit of Dunkirk is, of course, one way of tackling a major problem. Mr. Carter himself tried a variant of it 18 months ago when he described his energy policy as "the moral equivalent of war" — only to see that crusade immersed by special interests for what seemed an eternity.

The President, in fact, gave a good speech on television last night — measured, lucid and better in the delivery than in the reading. But he now has to decide what he is to do for an encore. This is essential because it is transparently obvious now that one of the main reasons why the Energy Bill was stuck for so long, was the President's refusal or inability to promote the policy properly.

Previous presidents have had little luck with inflation: Mr. Lyndon Johnson declared that the country could afford both guns and butter and found it could not. Mr. Richard Nixon brought temporary relief when he imposed a wages and prices freeze (still, according to the polls, the most popular single solution today, though one which quickly loses its attraction) but later became entangled in complicated regulations. Mr. Gerald Ford issued ludicrous lapel buttons saying "Whip Inflation Now" and got both a recession and deserved ridiclue.

Mr. Carter is undeniably operating in more confused times than any of his immediate predecessors. The extreme solutions offered by both labour and industry are impossible to reconcile. Mr. Carter, who is less cynical than, for example, President Nixon, seems reluctant to have a recession next year, as happened in 1971, so as to get the economy moving in the right direction in the year of the presidential election. He is also philosophically opposed to mandatory controls, as are most of his senior advisers.

At the same time public debate on the economy has become sterile. This year's vogue is for a massive leap in the dark in the form of huge tax cuts on the dubious premise that economic activity will be so improved as to remedy dramatically the recurrent problem of the federal budget deficit. Mr. Carter, rather bravely, given the current political climate, set himself against the popular trend last night when he said he would oppose inflationary tax cuts.

Congress is much less adamant: partly because of his prodding. Congress this month resisted some of the more sweeping tax cut proposals. But it threw out proposals to remove some of the grosser inequities in the system and enacted in the end a tax Bill in which social equity was given short shrift. Included in that package were traditional favours for special interests (such as one producer of bulk Californian wine).

In many other pieces of legislation, covering beef imports, textiles and much more besides, Congress showed itself capable of catering to narrow interests at the expense of the more general good. This is, of course, no new development—but its prevalence appears to be at historically high levels.

In Mr. Carter's favour is his new-found confidence and assertiveness after Camp David. This has been enhanced by the arrival in the White House, of Mr. Gerald Rafshoon, the public relations conscious campaign advertising genius of 1976. It is a fair bet, therefore, that the President will project his anti-inflation programme more aggressively than he did his energy package last year.

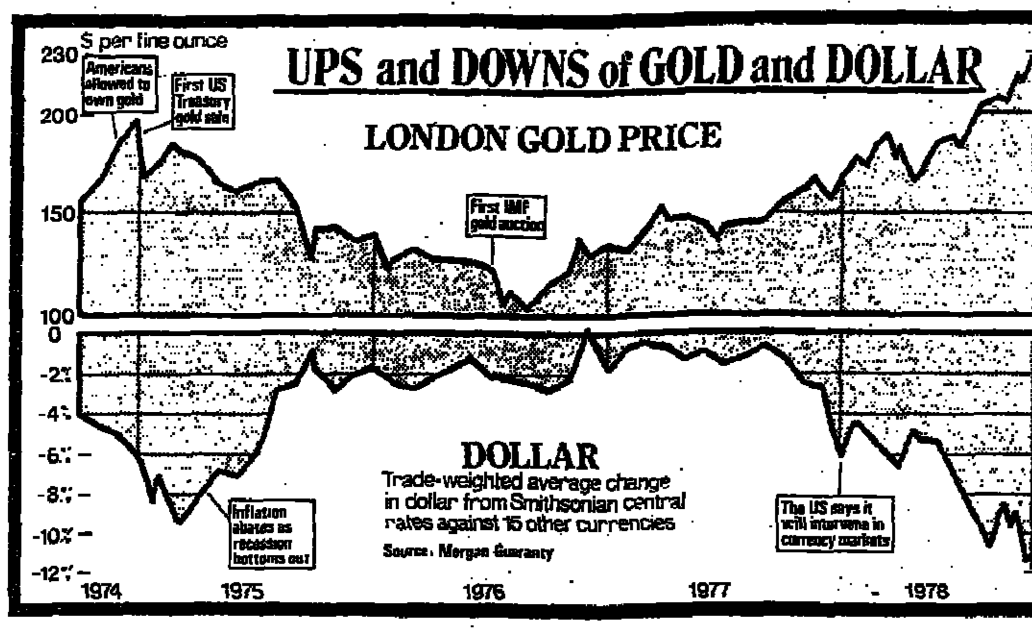
But, as his speech last night demonstrated, there is a natural public diffidence about Mr. Carter. He is no banner waving crusader capable of uplifting the moral spirit of the nation. Rather, he puts what he thinks are reasonable arguments to what he perceives as a rational public and expects them to be understood. He does not bully, coerce or cajole, because it is not his style.

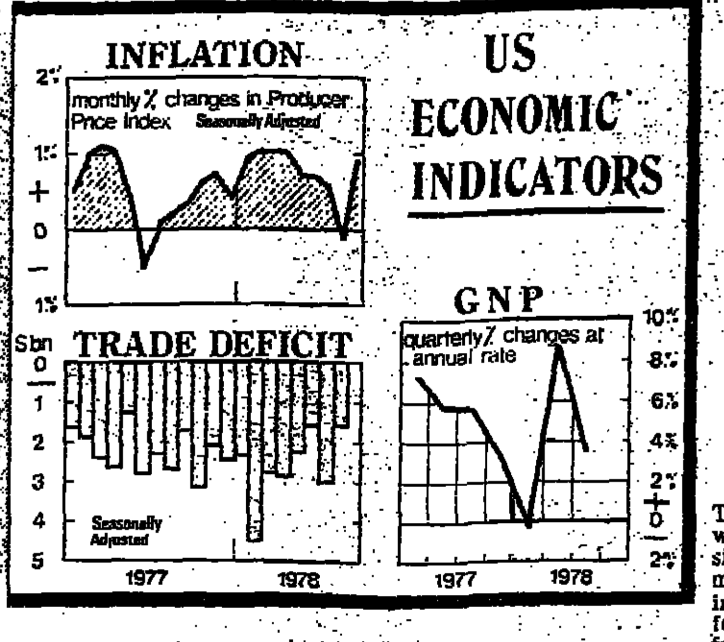
He also presents programmes of complexity, because that, too, is his inclination. But he thereby runs the risk of seeing bits of his proposals, picked apart by vested interests. That happened to both the energy and tax packages and may well be the fate of the inflation policy. The real wage insurance plan, for example, which, if nothing else, has the virtue of taking the country unawares, must go through Congress — a time-consuming and uncertain process.

An early litmus test of his determination to make the new policy stick is surely the Teamsters wage contract which is up for renegotiation early next year. Nobody has seriously taken on the maverick Teamsters since Mr. Robert Kennedy was Attorney - General (President Nixon, for political reasons, wooed them avidly). There are a lot of weapons that Mr. Carter could throw into that battle over and beyond de-regulation of the trucking industry, particularly the unsavoury reputation still enjoyed by the union's hierarchy.

If he backs away from that confrontation and stays in the wings while the Teamsters settle for an inflationary pay increase, then his anti-inflation policies will be severely dented. But the President, who is, after all, a good Democrat, may baulk at the notion of being seen to interfere in the affairs of at least a nominally democratic union.

Mr. Carter must also overcome the deep scepticism of a public which believes that inflation is beyond the power of a mere national chief executive to control. Nevertheless, as Camp David demonstrated, this country still yearns to see a strong President in action. It recalls simpler times — and non-inflationary eras. Thus, while it is fair to say that the initial reaction to Mr. Carter's package is that its chances of success stand somewhere between slim and none, it is not inconceivable that those odds could change with the application of the right means of public persuasion.





THE MAIN ANTI-INFLATION PROPOSALS

THE NEW anti-inflation policy, the third in Mr. Carter's presidency so far, calls for restraint by unions on wages, by companies on prices, and by the Federal Government itself on spending. The aim is to bring down the current annual rate of inflation from over eight per cent to 6-6.5 per cent over the next 12 months. The main proposals briefly are:

PAY: Wages and fringe benefits should not rise by more than seven per cent a year. Union contracts covering more than one year, as is common in the U.S., should have no more than an eight per cent pay increase in the first year. Low paid workers, earning less than $4 an hour, are exempted from these curbs—as are contracts providing for increased productivity.

PRICES: Companies are asked to cut their price rises by 0.5 per cent below their average increases in 1976 and 1977. The hope is to bring overall price increases in non-farm goods down to 5.75 per cent in the next year. Companies can pass on "unavoidable costs" and raise prices beyond this level, but only if their profit margins before tax do not widen as well.

INCENTIVES: Groups of workers which comply with the seven per cent pay guideline would get a tax rebate if the rate of inflation exceeds seven per cent. Under this so-called wage insurance scheme, the amount of the rebate would be equal to the difference between the actual rate of inflation and seven per cent, multiplied by the individual worker's salary pay "up to a reasonable limit." Thus if inflation were to run at eight per cent, a member of a group of workers which accepts a seven per cent wage increase and who is then earning $10,000 a year, would be entitled to a rebate of one per cent of his pay or $100 at the end of the tax year. The scheme will be proposed to Congress in the new session in January.

PUBLIC SPENDING: Next year's budget, to be presented in January for fiscal year 1980, will pare spending to 21 per cent of gross national product, down from 23 per cent in 1975-1976, with a deficit of $30bn or less. The only immediate step announced so far, is a reduction in the hiring of new federal employees, by allowing agencies to fill only one of every two vacancies. This would abolish some 20,000 jobs this year, out of a total federal work force of 2.8m.

SANCTIONS: The Administration may relax import restrictions, if price or wage rises in certain sectors go above the guidelines. Regulatory agencies, such as the Interstate Commerce Commission, which governs freight rates, will set their rates in the light of the guidelines. The Government, as buyer of some $80-90bn in goods and services each year, will channel its business to those companies which meet the pay and price standards.

The monitoring of individual price decisions and labour contracts will be done by a beefed-up Council on Wage and Price Stability. Special attention will be directed to the behaviour of the 400 companies whose annual sales exceed $500m.

Business backs public spending cuts

BY STEWART FLEMING NEW YORK, Oct. 25.

A SCEPTICAL business community gave as polite a welcome as it could to the President's new anti-inflation programme this morning. But, amid the promises to support the voluntary wage and price standards, the strongest message from business leaders was that it is Government spending which is at the root of inflation and therefore Government must act to reduce its deficits if inflation is to be cured.

Mr. Reginald Jones, chairman of General Electric and one of business's most influential leaders, said: "It was reassuring to hear the President place his main emphasis on measures aimed at the basic causes of inflation—excessive Government spending and regulations that add needlessly to the cost of doing business." Mr. Jones said that by insisting on more responsible fiscal and monetary policy and reducing the burden of excessive Government regulation the President can, over time, achieve his goal of winding down inflation.

But Mr. Jones' publically proclaimed scepticism about the value of wage and price standards as effective anti-inflation tools was again underlined in this morning's statement. "It was good to hear the President place less emphasis on voluntary wage and price standards," he said, "since these only deal with the symptoms and have not proved effective in the past." But General Electric, he added, as a "good corporate citizen," will co-operate in the national effort to reduce inflation.

Similar views came from other major corporations. General Motors said that the "prime cause of inflation is government spending and federal deficits which must be attacked aggressively . . . voluntary wage and price controls will only succeed if they can be administered flexibly."

Behind these statements from business lies a conviction that wage and price standards are unlikely to be effective and instead they represent a political response to a popular demand. Problems of enforcement, particularly in relation to collective bargaining agreements with labour unions, help to account for this scepticism.

In this context most attention is focusing on the negotiations beginning in the next two months between the 2m strong Teamster's Union and the trucking industry.

Mr. Irving Shapiro, chairman of Du Pont, remarked two weeks ago that if the President can achieve a couple of good labour settlements he has a chance of making wage guidelines stick, but if the Teamster's settlement breaks the guidelines his chances of success are significantly diminished.

The Teamster's negotiations will present a particularly difficult problem because the employers are part of a highly fragmented industry which cannot easily be put under pressure by the Government. Also the union has been a maverick on the U.S. labour scene and is outside the formal labour structure —the American Federation of Labour—Congress of Industrial Organisations.

Business's main anxiety about voluntary wage price guidelines is that they are a step towards mandatory controls, and, significantly, General Motors congratulated the President this morning on his statement that he opposed controls.

In part, many major businesses are willing to accept the price guidelines because they do not expect them seriously to inhibit pricing decisions. General Electric's electrical equipment prices have risen at an average rate of 4.7 per cent over the past two years, well below the 5¾ per cent guideline and also below the wholesale price index gain of 6.7 per cent. Its prices for consumer goods such as televisions and radios have risen by 3.2 per cent over the same period, well below the 6.1 per cent rise registered by the consumer price index over the two years. Du Pont's prices rose last year by only 4 per cent.

Thus, it is argued voluntary price controls do not represent a major problem for business especially because, like the proposed wage controls, the scheme contains many loopholes to allow for flexible application which will be important in dealing with depressed industries such as steel or copper.

But Mr. Alan Greenspand, formerly chairman of President Ford's Council of Economic Advisers, has argued eloquently that the proposed voluntary controls are especially dangerous simply because they are so unlikely to be effective.

"I do think guidelines are a mistake," he said. "I can see no mechanism which will make them work. The problem of inflation is a long-term battle and the President's credibility in discussing it with the people is a very important asset. Engaging in programmes that are doomed to fail is wasting this very important asset."

CAB chairman may be regulator

BY DAVID BUCHAN WASHINGTON, Oct. 25.

MR. ALFRED KAHN, who President Carter is expected later today to name as the regulator of his new anti-inflation programme, has earned himself a label as the "high priest of de-regulation" during his 14 months as chairman of the Civil Aeronautics Board.

In keeping with Mr. Kahn's previous work, abolishing restrictive practices and artificially high prices in the airline industry and other sectors, figures high in the Administration's strategy to cut inflation. On television last night Mr. Carter singled out Mr. Kahn's success in giving the airline industry "a fresh shot of competition" and has awarded him high marks for the vigour with which the CAB under Mr. Kan has pushed ahead to cut fares and open up new routes.

"Of all our weapons against inflation, competition is the most powerful," the President told his viewers.

Mr. Kahn, a Cornell economics professor, is a sharp contrast to Mr. Robert Strauss, the canny Texan politician who asked to be relieved of the anti-inflation portfolio in order to devote more time, as chief U.S. trade negotiator, to the final crucial stages of the GATT trade negotiations in Geneva.

The CAB chairman may lack Mr. Strauss's wheeling and dealing ability, but he ha sproved a formidable publicist, taking to the airwaves and talking to the media to publish benefits of greater competition to air travellers. Nor is Mr. Kahn any slouch at the Administration's bureaucratic infighting, ably warding off attempts by the Transportation Department to clip the CAB's wings.

Heading the Administration's anti-inflation programme will be a thankless task. Both Mr. Strauss and Mr. Harry Bosworth, the head of the Council on Wage and Price Stability have found themselves sniped at from both business and labour. Mr. Kahn, a vigorous and amiable 61-year-old who likes to pad around his CAB office in socks, has a reputation for bold speaking—a trait that wil inevitaby draw heat in the oncoming months.

A prolific author, whose works include two volumes on the economics of regulation while he was at Cornell, Mr. Kahn has sharply defined theoretical and practical views on how industry should or should not be controlled. His staff at the CAB say he is more of a "revolutionary than a manager." Day to day monitoring will be left to the Council on Wage and Price Stability which is to have its staff increased by 100 people.

Unions silent on wage proposals

BY JOHN WYLES NEW YORK, Oct. 25.

THE PRESIDENT'S proposals were greeted with a calculated silence from the U.S. trade union movement this morning as individual union leaders searched for a form of words which would fall short of outright rejection, but at the same time communicate their extreme pessimism that the 7 per cent limit on wages can be held.

Mr. George Meany, the crusty 84-year-old President of the American Federation of Labour—Congress of Industrial Organisations, has given himself six days to deliver a reaction of vital political importance to the U.S. labour movement as a whole and to President Carter in particular.

Formally, the AFL-CIO's official view will be issued after a meeting of its executive council next Tuesday. But it is probably already drafted in outline to make the following points:

- The guidelines will bear far more heavily on working people than on corporations and shareholders.
- Millions of workers have already fallen behind in the race to keep up with inflation and they can hardly be expected to accept more sacrifices.
- The President's wage insurance proposal depends on the agreement of a Congress not yet elected and possibly difficult to control.
- Therefore, in the AFL-CIO's opinion, union members are unlikely to accept settlements which conform with the guidelines.

The AFL-CIO hope that a statement along these lines will make it difficult for the President to pin responsibility for the failure of his guidelines on leaders of organised labour while at the same time enabling union leaders to avoid any backlash from their members for endorsing the policy.

The wage insurance proposal, based on granting tax rebates to workers who settle for 7 per cent but who find that inflation has run ahead of the target, is one which will appeal to unions with weak bargaining powers and companies with fragile balance sheets. Ms. Audrey Freedman, labour specialist for the business research organisation of the Conference Board, described it as "revolutionary" this morning and therefore unlikely to clear the Congress.

The trucking negotiations are seen as the crucial hurdle for the pay policy. The Administration has already warned that truckers will not be able to pass on in higher charges any settlement over 7 per cent. But the Teamsters, for all of the scandal which perpetually surrounds the union, are an extremely aggressive bargaining organisation which divided the employers with a strike threat in 1976 and won a three-year 34.4 per cent increase in wages and benefits.

Major pay settlements to be negotiated next year include (with numbers of workers involved), January, oil (60,000); March, trucking (400,000); April, rubber (67,000); April, construction (387,000); May, ladies clothing (145,000); June, food processing (55,000); June, electrical equipment (140,000); August, meatpacking (74,000); September, car workers (68,000); September, agricultural machinery (92,000).

OTHER AMERICAN NEWS

Brazil lowers cruzeiro's value by 2.02%

By Diana Smith

RIO DE JANEIRO, Oct. 25

BRAZIL'S MONETARY authorities have devalued the cruzeiro for the 13th time this year. Today's 2.02 per cent devaluation sets rates at Cr19.54 to buy and Cr19.64 to sell against the dollar.

The latest devaluation brings this year's accumulated drop against the dollar to 22.508 per cent. Between October 1977 and October 1978, the cruzeiro has been devalued 28.76 per cent against the dollar.

Brazil's Treasury Minister, Sr. Mario Simonsen has stressed repeatedly that these small-scale devaluations are a more appropriate means of adjusting the cruzeiro to internal and external inflation than larger, less frequent devaluations.

SALT talks unresolved

By Our Own Correspondent

WASHINGTON, Oct. 25.

MAJOR DIFFERENCES remain between the U.S. and the Soviet Union on four important areas in the negotiations on the Strategic Arms Limitation Talks (SALT) following the latest discussions in Moscow, American officials said today.

Further meetings between Mr. Cyrus Vance, the Secretary of State, and Mr. Andrei Gromyko, Soviet Foreign Minister, will now be needed. Their Moscow meeting failed to match expectations that they would reach final agreement on a SALT 2 accord.

Trudeau urged to cut taxes on large scale

BY VICTOR MACKIE OTTAWA, Oct. 25.

THE ECONOMIC Council of Canada, the Government's chief advisory body on the economy, has warned that Prime Minister Pierre Trudeau's plan to restrain federal spending will depress the economy severely unless measures are introduced to stimulate consumption and business spending.

While recognising that the Government's restraint programme is aimed at encouraging private initiative and job creation, the Council points out that there must be large-scale tax cuts to provide stimulation.

This new blow to the Prime Minister comes hard on the heels of his Liberal Party's serious setbacks in last week's by-elections. Liberals retained only two of 15 constituencies.

The Economic Council's annual review published today recommends that Ottawa introduce measures aimed at achieving 4.5 per cent real growth in 1979 and sustaining growth at this level or higher in the next few years.

The Council suggested the Government adopt one of the following proposals:

- A cut of almost 50 per cent in the federal sales tax, effective January 1, 1979, resulting in a stimulus of about C$2bn (£840m).
- A large reduction in personal income taxes, also of about C$2bn, preferably on a selective basis.
- A renewal of the federal-provincial agreements that reduced provincial sales taxes.
- A combination of parts of the three above approaches.

Any such stimulus should be in addition to tax reductions resulting from indexation of federal and most provincial personal income taxes, already in effect.

The Council estimates that the economic restraint policies announced by the federal and several provincial governments will result in lower than 4 per cent growth in 1979 and 1980. It also reckons that unemployment will continue at close to 8.5 per cent, and that inflation will be slightly more than 7 per cent.

The annual review forecasts that a permanent cut next year in personal income taxes, equal in the first year to C$2bn, would stimulate the economy in that year and boost the real growth rate to 4.5 per cent. Private investment would be encouraged and would maintain its strength over the subsequent years. The unemployment rate, however, would remain well above 8 per cent.

Alternatively, a cut in the federal sales tax equivalent to C$2bn, if passed on directly to consumers, could also help to increase the real growth rate by half a percentage point, to 4.4 per cent. Unemployment would remain well above 8 per cent but inflation would slow to 6.1 per cent in the first year.

Meanwhile, the Government has warned 23,000 striking postal workers that if they do not return by midnight tonight they will lose their jobs.

A PERUVIAN TOWN GOES ON STRIKE

Discontent in the Amazon's wild west

BY NICHOLAS ASHESHOV, RECENTLY IN PUCALLPA

THE 500-MILE road across the Andes from the coast reached Pucallpa less than 40 years ago. Since then, the growth of the riverport town, the upper limit of steam navigation on the western Amazon, has been steady, as far as anything in the jungle can be called steady. Over 120,000 people are reckoned to live here now, trading, working in the sawmills and plywood factories, the port and the markets which form the focus for thousands of square miles of jungle, from the Brazilian frontier in the east to the Andean foothills in the west.

Since the road to the coast is the only one from the central and northern Amazon this is a busy place. The streets, lined by scrub, elephant grass and low clapboard houses, are unpaved, muddy and slippery as soap when it rains, hot and dusty when dry. There are a few two- and three-storey buildings — the Hotel Mercedes, the Petroperu offices, the Rex cinema.

But despite the large amounts of money running through the town—one calculation is that $30m is paid every year in taxes —there is no central drinking water and drainage, and everyone relies on his own generator for electricity. Schools are scarce at secondary level, and higher education non-existent.

Two years ago Peru's President, General Francisco Morales Bermudez, passed through Pucallpa and promised that 20 km of streets would be paved immediately. According to residents a few machines scraped around desultorily for a few days and that was the end of the latest of scores of similar offers that came to nothing.

This September the local taxi and lorry drivers union decided to call a protest strike about the muddy, dusty, pot-holed streets but first sent word to the head of the Amazon army region, General Francisco Miranda. When no one bothered to reply the stoppage started, and quickly escalated into a general strike which brought the city to an almost complete halt.

The strike committee was led by a representative of the ultra-radical teachers' union. Other members included a doctor, a couple of taxi drivers, a journalist, a market worker and shopkeepers.

Backed by virtually all the town's organisations, including the Boy Scouts and the Rotary Club, the committee was the effective government of the region during the three-week strike, issuing passes to emergency vehicles, banning the sale of liquor, ordering the food shops and markets to be shut by 10 am at latest, and generating enthusiasm for the strike.

Ten days after the strike had taken hold, General Miranda flew up from Iquitos, 400 miles away, accompanied by a dozen officials from the newly-formed Regional Development Board. Oi[illegible]

The General [illegible] words [illegible] or under study, to the tune of 2,000m soles (£5m). No reference was officially made to the strike, and a complete news blackout was maintained, because Pucallpa, a huge tropical slum, clearly is a scandal.

By the time the General arrived the committee had drawn up a 15-point list of Pucallpa's demands, which had expanded considerably from the taxi drivers' original demands.

The inhabitants are restless in Pucallpa, a Peruvian jungle town. So restless that they staged a strike to attract the attention of the regional authority, which, embarrassed by its record of neglect and fearful of the effect of the protest on other urban areas, announced some badly needed development projects and granted Pacallpa a degree of control over how it spends its own money.

First on the list were road improvements, followed by drinking water for the hospital, [illegible]d indeed a proper hospital and [illegible]edical attention, adequate port [illegible]ilities, repairs to the sports [illegible]dium and the elevation of the [illegible]allpa region from mere province to department status. In a way, this last was the key demand, for at the moment even the simplest of the arcane bureaucratic procedures which dominate many aspects of life in Peru must go to Iquitos.

The day after General Miranda's arrival, a road scraper drove busily around town and the next day a Hercules heavy transport aircraft hurriedly flew in with a water pump and generator, apparently for the hospital. But these gestures and the General's offers were regarded with contempt by the Pucallpinos, who worked out that the money offered would be enough to pave less than 2.5 km of street.

A general assembly voted for the continuation of the strike, and the next day riot police were flown in, though they were kept to their quarters. They were followed by three ministers, who announced that the town would get its own development commission—undoubtedly the first step towards becoming a department on its own. The town was also promised independence from and near equality with Iquitos, and some control over expenditure. The strike was called off and the Government seems to have edged out of a sticky situation.

For Peru's military Government, which in the past six years has spent over $2,000m on the purchase of arms and has just succumbed to the grip of an International Monetary Fund austerity—stability programme, asking for money is awkward to the point of being unpatriotic. It was no coincidence that on the day the riot police were flown in "secretly" the strike committee quickly ordered the national flag to be flown on every house.

People here and in Lima frequently compare, unfavourably, the progress of Pucallpa and other Peruvian jungle towns with that in Brazil's Amazon towns. They say that Peru's huge Amazon regions would have been made safer from Brazil's perceived "imperialistic" designs by investment in development projects rather than armaments.

WORLD TRADE NEWS

Rolls-Royce and Japan near decision on engine

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LLS-ROYCE is still discussing h Japan the possibility of nt production of a new aero-zine, the RB-432, and no cisions have yet been reached, company said yesterday.

Commenting on reports from pan that Rolls-Royce had iched agreement on joint velopment and production of RB-432 with Ishikawajima rima and other companies, h work due to start next ar, Rolls-Royce said that the rrent discussions had made ogress, but it was still too rly to suggest that a deal was sight.

There is no doubt, however, at Rolls-Royce would welcome panese participation in the 00m RB-432 development pro-amme.

A clear market is emerging for s civil engine, in the 18,000 lbs rust category, between the isting ageing Spey, which powers the British Aerospace One-Eleven jet airliners, and the next biggest engine, the Franco-U.S. (Snecma-General Electric) CFM-56 of 22,000 lbs upwards.

Aircraft which could use the RB-432 include the proposed new Fokker F-29 twin-engined air-liner, and later versions of the One-Eleven for the 1980s. The RB-432 would be a quiet, more fuel-efficient engine for short-range jet airliners than the present Spey.

Any future 130-seat jet air-liners developed by the European Airbus Industrie consortium, which is now to include British Aerospace, could also use the RB-432.

A small amount of design and development work has been done on the new engine by Rolls-Royce's Derby division, but the investment has been limited. In view of the company's commit-ments on other civil engines, such as the new 524 and 535 versions of the RB-211, it is reluctant to commit heavy sums without international collabora-tion and guarantees of overseas markets.

● Four aircraft remain on the short list as contenders to replace Australia's present Mirage tactical fighter force — the MacDonnell-Douglas F-18A, the Northrup F1S1, the General Dynamics F16, and the Mirage 2000, Defence Minister James Killen told Parliament. He added that the MacDonnell-Douglas F15 and the European-built Panavia Tornado had been dropped from the short list. AP-DJ reports from Canberra.

Mr. Killen explained that budgetary constraints had meant planned purchases of some defence equipment would have to be deferred. Accordingly, the existing Mirage fighter force would be refurbished, at a cost of A$15m, and would remain in operation until the mid-1980s. This, he said, would enable Aus-tralia to benefit from the develop-ments in fighter technology becoming available during the 1980s.

Operation, techoical and indus-trial missions will go overseas in the first half of 1979 to examine performance and other detailed matters. Mr. Killen added that the A$500m contract for the purchase of 25 new fighter aircraft for the Royal Australia Air Force would have to include a provision for some Australian-manufactured content.

Move to lift UK trade with GDR

By Anthony Robinson

THE LONDON Chamber of Com-merce and the British Overseas Trade Board are organising the first ever British Technical Week in East Germany (GDR) starting on May 7 next year in an attempt to correct the growing imbalance in UK-GDR trade.

This new initiative, in co-opera-tion with the GDR Chamber of Foreign trade, follows the dis-appointment felt recently at the failure of British companies to gain major contracts for which they had tendered.

GKN failed to win a $370m contract for a car transmission plant which was subsequently awarded to Citroen while Taylor Woodrow failed to win a contract to build a potash granulation plant which later went to Kloeck-ner Werke of West Germany.

Price factors and difficulties associated with buy-back arrange-ments have been cited as two of the reasons inhibiting UK ex-ports to the GDR although the authorities there have made clear that they would welcome a more balanced increase in two way trade with the UK.

Last year the GDR increased its exports to the UK market from £60.3m to £95.4m while UK exports rose at a much slower rate from £44.8m to £54.4m. A similar pattern emerged over the first nine months of this year when UK exports amounted to £35.7m while imports from the GDR were £61.5m.

Lean year for British textiles

BY RHYS DAVID

BRITAIN'S TEXTILE industry turned in a very disappointing trade performance in the first six months of this year, the period which followed the intro-duction of new tougher agree-ments with low cost suppliers under the GATT Multifibre Arrangement (MFA). Imports have continued to rise—parti-cularly those from Britain's European partners who appear to have moved in to fill gaps in the relatively buoyant British market as a result of tighter controls on developing countries.

The main disappointment has been in the performance of the textile side of the joint textile/clothing account, where a sub-stantial balance of payments surplus in Britain's favour has suddenly been converted into deficit. Over recent years Britain has relied on its textile surplus to offset the much weaker trading performance in clothing, and last year, following a sharp reduction in the cloth-ing deficit, total textile and clothing trade was in near balance for the first time since 1973.

This year the clothing deficit has again been large, but has dropped slightly to just under £125m in the first six months. More alarmingly, however, trade in textiles—the yarns and fabrics used to make clothing and other textile goods—has lurched into a deficit of £44m, compared with a surplus for the same period last year of £97m.

The second half of the year is likely to show some improve-ment as the UK textile industry is stronger in the heavier weight products exported at this time of year than in lighter weight summer goods. But overall the industry's 1978 performance is now bound to be substantially worse than last year.

The main problem has been that in textiles exports have been relatively stagnant so far this year, while imports have shown a major rise from £604m in the January-July period of 1977 to £742m this year. In clothing there was a similar in-crease in imports from £379m to £419m but exports also went up from £246m to £294m.

The poor performance on the textile side is now being closely examined within the industry, and a number of possible ex-planations have been put for-ward. The stronger pound has made it more difficult to sell in Europe this year and has also meant that imports have been cheaper. The British market has been more buoyant than other European markets and this has tended to make it a target for exporters. Consumers' expendi-ture on clothing at 1970 prices increased from 116.2 in the first quarter of 1977, to 124.4 in the second quarter this year—a sharper rise than took place in consumers' expenditure as a whole.

There has also been strong demand for particular products which UK producers have not been able to meet. The switch, for example, from denim to cor-duroy as the most important jeans fabric has led to shortages. Thus although UK production of corduroy has also been rising, and is set to rise further as a result of Courtaulds' recent decision to open a new plant at Belmont in Co. Durham which will concentrate on the fabric, imports of pile fabrics in the first six months at 18.5m square metres are not far short of the total for 1977.

The carpet industry too has seen some falling away this year in its exports to Europe which reached exceptional levels last year, and imports into the UK market, which has previously been satisfied almost entirely by domestic producers, have begun to rise.

An additional problem for the UK textile industry this year has been the high level of imports of yarns and fabrics from some of the EEC's Mediterranean associates, in some cases exceed-ing within the first six months agreed ceilings for the whole year. Also for a number of reasons, the full benefits of the MFA agreements with low cost suppliers in the Far East are not expected until late this year.

But although there are these special factors, what remains of principal concern is the indus-try's performance in relation to its EEC competitors operating with similar, or in some cases higher, wage costs. With most of the UK textile industry work-ing below capacity and therefore in a position to supply home market needs, the implication would seem to be that fabric users have been turning to Con-tinental sources because they have been supplying the fabrics needed to meet fashion demands.

In the first six months, imports of fabrics from all sources in fact rose by 20 per cent in weight but those from Western Europe (EEC plus EFTA except Portu-gal) rose 36 per cent. Imports from outside Europe were up only 9 per cent. In synthetic woven fabrics, imports from all sources were up 9 per cent and those from Europe were up 24 per cent, while those from out-side Europe were actually down 2 per cent.

UK TRADE IN TEXTILES AND CLOTHING

£m

	1975	1976	1977	1977 1st quarter	1977 2nd quarter	1978 1st quarter	1978 2nd quarter
TEXTILES							
Imports	732.0	975.1	1,196.4	309.12	295.03	361.54	380.79
Exports	828.6	1,110.3	1,358.8	352.33	348.80	338.23	360.06
Trade balance	+96.6	+135.2	+162.4	+43.21	+53.77	−23.31	−20.73
CLOTHING							
Imports	505.1	683.8	766.6	201.49	177.04	214.91	204.19
Exports	265.4	412.3	598.0	119.21	126.92	144.41	150.07
Trade balance	−239.7	−271.5	−168.6	−82.28	−50.12	−70.49	−54.12
Total trade balance	−143.1	−136.2	−6.2	−39.07	+3.65	−93.80	−74.85

Candu purchase urged

TOKYO, Oct. 25.

PAN'S GENERAL Research uncil has recommended that e Government and the nation's nuclear electric power com-nies introduce Canadian heavy-ter "Candu" reactors, accord-g to officials of the Ministry of ternational Trade and Indus-y (MITI).

The officials said the council essed the merits of the nadian reactor over America's ht-water type reactors now ing used by six of the nine mpanies.

These six are using a total of 16 reactors of the U.S. light-water design which need en-riched uranium as a fuel. The Candu reactor can use natural uranium as its fuel.

Among the six, the state-run Electric Power Development announced earlier this year that it will build two Candu reactors by the end of March, 1986. Each of them will be capable of generating 600,000 kilowatts of electricity.

The Council is a government agency functioning under MITI. AP-DJ

U.S. Government is sued over Arab boycott law

BY MAURICE SAMUELSON

N AMERICAN company which lls electrical equipment in the rab world is suing the U.S. overnment over legislation bar-ng compliance with the Arab ycott of Israel.

Trane Company, of Wisconsin, aims that a law which requires mpanies to ignore boycott re-uests and report them to the overnment violates its consti-tional rights of free speech nd association.

The company, which sold $15m worth of goods to Arab States in 977, is being advised by one of he leading Washington law irms, Covington and Burling.

The case centres on the Export Administration Act, which is due o expire next year. Although Congress is favourable to its re-newal, a battle is shaping up ver possible attempts to modify t.

A key issue will be whether r not U.S. trade in Arab States as suffered from the new regu-tions. The umbrella organisa-on of leading U.S. construction ompanies has asked its embers to report any loss of ontracts because of the regula-ons.

According to the U.S. Com-erce Department, however, ere has been a "significant" crease in U.S. exports to the Arab world this year, despite forecasts that the Export Administration Act amendments would cause widespread U.S. unemployment.

In the first eight months, sales to the 14 boycotting States reached $5.25bn, a 10 per cent increase over the same period last year. Exports to Saudi Arabia rose more than 18 per cent (to $2.7bn); and to Iraq, traditionally one of the hard-line States, the exports rose by 40 per cent (from $146m to $210m).

Mr. Stanley Marcuss, head of the U.S. Commerce Department's anti-boycott division, has said that boycotting countries have shown "a willingness and ability" to adjust to U.S. regu-lations. He told Chicago busi-nessmen that exclusionary and negative certificates of origin were becoming "a thing of the past," and that boycott condi-tions were falling out of letters of credit relating to Middle East transactions.

The U.S. had also mollified much of the concern felt by third countries about extra-territorial aspects of U.S. regulations.

Meanwhile, the Commerce Department is appointing some 65 anti-boycott compliance officers.

Brazil oil licences

BY KEVIN DONE, ENERGY CORRESPONDENT

ETROBRAS, the Brazilian state l company, is planning a third ound of international bidding r petroleum exploration cences under risk contracts.

It is expected that the earliest cences will be awarded is the st half of next year. A total 42 blocks are on offer, 21 on-hore and 21 offshore. Each off-hore block covers about 3,000 quare kilometres (1,158 square iles). The licence areas are tuated along the continental helf of Amapa (4), Maranhao-iaui-Ceara (10), Bahia Sul, spirito Santo (6) and in the ampos Basin off Rio de Janeiro 1).

The onshore concessions, hich are much larger—each is bout 10,000 square kilometres 3,861 square miles) are situated long the sedimentary basins of he Amazon and Parana.

Petrobras itself spent $286m on oil exploration and production in the first-half of the year, about 41 per cent of total oil industry expenditure in Brazil in this activity.

As the Brazilian drive to open up offshore exploration and pro-duction builds up, Ocean Inch-cape, a UK company, has been awarded contracts worth $5m over the next two years to pro-vide supply base services for four oil companies.

It has established a supply base at Sao Sebastiao to provide full back up services for British Petroleum, Pennzoil and Pecten in their exploration in the Santos Basin area. On land owned by Petrobras at Belem, it will be operating a supply base for Esso to serve exploration at the mouth of the Amazon. The ventures are in partnership with a local Inch-cape company, Wilson Sons SA.

Filipino car makers top import quota allocations

BY OUR OWN CORRESPONDENT MANILA, Oct. 25.

MAKERS OF JAPANESE models n the local automotive industry eceived the biggest foreign xchange allocations for import equirements under new quotas ust announced by the Board of nvestments (BOI).

The total amount for five assembler-companies, all parti-cipants in the BOI-sponsored Progressive Car Manufacturing Programme (PCMP), reached $67.31m. As before, the alloca-tion for each company was based on sales projection for the coming year which, in turn, was based on actual sales perform-ance in the preceding year.

Delta Motor Corporation, which assembles the Corona, Corolla and other brands of Japan's Toyota Motor and which has the biggest share of the PCMP market, was given by BOI $26.69m, representing 39.66 per cent of total allocations.

It was followed by Car Company (formerly Chrysler Philippines Corporation), which received a quota of $18.57m. It assembles various brands of Japan's Mitsubishi Motor such as the Colt, Gallant and Lancer. It is next only to Delta Motor in number of units sold.

Not far behind is Ford Philip-pines Incorporated, with an allo-cation of $18.35m for its British Cortina and Escort, as well as the Granada model from its American corporate parent. DMG Incorporated, assembler of the Beetle, Brasilia and Passat of Germany's Volkswagen AG, received $8.44m.

In last place was General Motors Philippines Incorporated, which received $5.26m for assembling a wide range that includes the Japanese Gemini, the Australian Holden, the German Opel.

The change in corporate name of Chrysler Philippines Corpora-tion to Car Company completes its Filipinisation. This started several years ago when the local Yulo Group of companies bought the majority ownership from Chrysler International of the U.S. whose equity was reduced to 5 per cent.

Japan's Mitsubishi Motor and Nissho-Iwai Company each holds 15 per cent. Car Company has, since October 12, stopped paying the usual franchise fee to Chrysler. This amounted to 2,000 pesos (£136) for every car sold locally carrying the name "Chrysler."

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New benefit plans urged to help lower paid meet bills

BY PAUL TAYLOR

THE SUPPLEMENTARY Benefits Commission has recommended two new comprehensive schemes to help the lower paid meet rent and fuel bills.

The schemes, which would replace the complicated system of allowances, are suggested in the commission's annual report for the year ended December 31, published yesterday. The report says the supplementary benefits scheme "should no longer be the principal instrument for helping the poorest people pay their rent and meet their fuel bills."

It says that there should be a single housing benefit scheme for all low income householders and a new scheme to help people pay fuel bills.

The commission warns, however, that both proposals involve radical changes and could have costly implications which need further study.

The report reveals that between 1973 and last year the number of people receiving extra supplementary benefits to help with fuel bills has trebled, and that heating additions now go to 1.5m claimants. It also draws attention to Department of Energy forecasts that fuel prices will double in real terms by the year 2000.

The present system is unfair to those who are poorly paid or just above the supplementary benefit level, says the Commission. Instead it proposes a comprehensive fuel rebate or bonus scheme similar to the rent rebate scheme, which would be easier to administrate.

On housing, the report says that confusion and financial loss is caused by the existence of three schemes for those on low incomes, supplementary benefits, rent rebates and allowances and rent rebates. Instead, it proposes a single means-tested housing benefits scheme covering all low-income householders whether on supplementary benefit or not, extended to owner-occupiers and preferably run by the local authorities.

The commission points out the problems caused by large scale unemployment. The national insurance scheme, at present levels of unemployment, "has clearly failed in its original purpose of being the main source of help for people unable to find work," it says.

Supplementary Benefits Commission Annual Report for 1977. HMSO.

Some tube fares to rise

COMMUTERS on London Transport underground trains in Essex and Buckinghamshire will have to pay higher fares from early next year, because the two county councils have refused to give financial support to LT.

Services in Essex lost more than £2m last year and those in Bucks £750,000.

If the increases are sanctioned by Greater London Council and the Price Commission, single fares will rise by up to 10p, with a new maximum single fare of £1.50.

For season ticket holders, the increase will depend on the length of the total journey, and the proportion in Essex or Buckinghamshire.

London Transport said yesterday: "We believe the county councils should include a grant for loss-making underground services in submissions for government grants."

BBC may offer five radio services

BY MAURICE SAMUELSON

THE BBC hopes to offer its listeners a choice of five basic radio services when it has carried out all its plans for the growth of local radio stations, Mr. Aubrey Singer, BBC radio's managing director, said yesterday.

The BBC and the Independent Broadcasting Authority are working on rival frequency maps of the country to include 100 local stations within 15 or 20 years. The BBC now has 20 and the IBA 19.

Other BBC developments are a fifth service for Scotland and Northern Ireland, and both an English language and a Welsh language fifth service for Wales.

After Tuesday's Home Office approval of 18 new local stations, divided equally between the BBC and IBA, the Corporation will open stations at Barrow, Lincoln, Norwich and Taunton. The speed with which it opens the others—at Cambridge, Northampton, Shrewsbury, Taunton and York—will depend on the level of the new television licence fee. All should be on the air by 1982.

It has applied for a £30 annual colour TV licence for the next three years, and Mr. Singer said he was optimistic about the Government's response.

The overall cost of setting up the BBC's four new local stations will be £1½m, with yearly operating costs of £220,000 for each. This represents a 30p increase on the licence rate.

The principles underlying the authorisation of the 18 new stations are that there should be no geographical duplication and that they should answer the needs of local communities.

The opening of nine new commercial stations will raise to 28 the number served by Independent Radio News.

Scots economy speeds up

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE Scottish economy is growing at a faster rate than at any time since 1973 and may again be outstripping the UK as a whole, the Fraser of Allander Institute, said yesterday.

In its quarterly economic commentary, the Institute, based at Strathclyde University, predicted that the Scottish gross domestic product would grow by 2.6 per cent this year.

A recent forecast for the UK, made by the London Business School, was that GDP would grow by 2.4 per cent. But the Fraser Institute takes a slightly more optimistic view about the increase in manufacturing output.

As a result of this upturn north of the border, unemployment should continue to decline. The Institute believes it will fall to about 160,000 by March of next year, from the present seasonally adjusted 168,000.

A sudden increase in the inflation rate would cause unemployment to rise again, particularly if the UK entered a European Monetary System that prevented it from freely devaluing sterling.

The revival in economic activity was largely a response to increased consumer spending, which in turn was due to the fall in inflation and the increase in real disposable incomes.

The balance of payments, which had constrained previous expansions, had benefited from North Sea oil production. But in future the main gain from oil production would be from the Government tax revenues, the institute said.

Quarterly Economic Commentary, October 1978. Fraser of Allender Institute, 100, Montrose Street, Glasgow. Price £1.00.

Go-ahead for oil projects

THREE MAJOR oil developments were taken a stage nearer completion by the Highland Regional Council's planning committee yesterday.

In spite of objections from three residents they approved an application by Kestrel Marine (Wick) for two years permission to construct marine oil production control systems on the beach at Keiss in Caithness.

The £1m development employing about 20 will provide complex pipeline control systems two kilometres long for the Murchison oilfield in the North Sea.

Since the application is for temporary permission, committee members agreed to grant it in spite of the objections which claimed the development would be harmful to the area.

The committee heard that the Scottish Secretary had decided not to intervene in the application by the MESA oil company to lay an underground pipeline in Easter Ross.

The pipeline is to take oil from the Beatrice oilfield offshore to storage and marine facilities in Nigg Bay. The Highland Region had granted permission, subject to the Scottish Secretary's approval.

Objections by the Nature Conservancy Council to aspects of an offshore oil support base being built at Alness Point in Easter Ross have been resolved, members were told. The council laid down conditions which were approved by the committee.

Higher engineering standards urged

BY COLLEEN TOOMEY

UNTIL STANDARDS of the engineering profession were raised, bright young school leavers would not be attracted to the engineering industry, Mr. Diarmuid Downs, president of the Institution of Mechanical Engineers said last night.

There were already too few first-class engineers in British industry to tackle the amount of work being done and raising standards through university and polytechnic qualifications was vital if future demands were to be met.

Pollution

In an address to Institution members in London, Mr. Downs reviewed the last 10 years of pollution control, noise reduction, fuel economy in cars and commercial vehicles and prospects for the future.

Engineers and industrial scientists did not deserve the reputation as destroyers of the environment in the interests of "dubious" progress.

Air and noise pollution from vehicles had been greatly reduced by legislation and there was still room for improvement.

But a balance between technological advance and concern for the environment was vital and engineers were still working on methods of striking a medium.

Spending too much money on reducing air pollution to "unnecessarily low levels" would mean that not enough money would be available for other perhaps more socially desirable ends.

"The difficulty is that although emotive words like cancer are freely bandied about, no one has established with any certainty what are the health hazards of these materials and what are the dangerous thresholds of concentration."

Mr. Downs, chairman and managing director of the consulting automotive engineering company, Ricardo and Company Engineers (1927) said: "We could design today a road vehicle virtually without pollution or noise but at such a cost that only a small fraction of the population could afford it."

Ulster's white elephant nears black

NEWS ANALYSIS: Stewart Dalby examines the way the near disaster of Strathearn Audio, a project set up to stem unemployment in the Roman Catholic ghettos of West Belfast, has been turned into a near success.

STRATHEARN AUDIO, which makes hi fi equipment, can bid fair to be one of the Government's biggest white elephants in Ulster.

It seemed to be just what was needed when it was started at the end of 1974: a high technology, labour intensive project which would be sited in Andersonstown in west Belfast, where male unemployment touches 35 per cent.

The Northern Ireland Development Authority, in a novel concept, set up the project with taxpayers money. About £3.5m was made available and a large factory was built close to the Catholic ghettoes of west Belfast.

The idea was that 1,500 people would be employed by the late 1970s. The product was based essentially on a direct drive record player turntable which would sell at the top end of the market to stereo enthusiasts.

Now, three managing directors, a further £6.5m in direct Government investment plus a £1m loan, the departure of key personnel and larger turnover of factory staff later, Strathearn has still to make a penny.

In the course of the past four years, two companies of consultants, Touche Ross and Coopers-Lybrand, have made extensive surveys and recommended a drastic scaling down of the operation.

Nothing seemed to work, however, and by last November Mr. Dan Concannon, Minister of State for Industry in Northern Ireland, was on the point of throwing in the towel and closing Strathearn.

At this point, Mr. Gordon Smyth, a blunt spoken and hard-driving local man, persuaded the Minister to give it one last try. He based his appeal on an argument often used by Mr. Roy Mason, the Secretary of State for Northern Ireland: in areas like west Belfast, normal criteria for the cost of providing jobs do not apply. You must expect to pay more than in other areas of the UK since there are other benefits.

Some young men in the Roman Catholic ghettos have never worked, older men have been unemployed for years. By giving such people work, you reduce their bitterness and buy them off from the appeal of the provisional IRA.

In Mr. Smyth's telling of the exchange, Mr. Concannon agreed and asked him to take on the job. Mr. Smyth, who is a record and stereo equipment retailer, said okay, provided he was given a completely free hand and another £1m.

These terms having been met, the good news is that Mr. Smyth after a year, looks to have turned Strathearn round. It will not make a profit this year he says, but it is running on a better than break-even basis.

It is difficult to say exactly what went wrong with Strathearn. There were quality control problems certainly, not always Strathearn's fault. More seriously, the marketing was badly bungled so that the stereos were advertised before they were produced, or they were produced and then sent off to places where no market research or advertising had been done.

Mr. Smyth sums up the mistakes by saying that the project, as first conceived, was too ambitious for the area. The original designs, based on the direct drive turntable, were sophisticated and advanced.

"Look, many of the people have not even done labouring jobs, let alone complicated technical ones. You might just as well have asked them to put someone on the moon as pick up the production plans quickly," Mr. Smyth says.

But bad management also played its part.

Because of the confusion over production and marketing morale at the long, low hut of a factory was bad and, in spite of the massive unemployment, staff turnover was quite high.

Cosmetic

When he took over, Mr. Smyth cut the staff back. There were 312 people employed at the time (the 1,500 first envisaged has never been remotely seen) and jobs were cut to 148. "There were a lot of people not doing anything." Next, he tackled stock control, cancelling a number of contracts. Finally, by spending a lot on research and development, he simplified the product.

"We got rid of a complicated radio tuner and other features like the parallel tracking arm."

Mr. Smyth also devoted a lot of time with a team of designers, to the cosmetic aspects of the hi-fi.

No machines were made for three months. With the redundancies, the cancellation of contracts and the development costs, he had spent £750,000 with nothing to show. But he kept his nerve and what he was left with were two basic products.

Out of a mountain of left over components, he made an extremely simple turntable which is still being sold off while stocks last. More importantly, he had his stream lined simplified SM2000 turn table which is now the company's basic unit.

The company does not make its own speakers or amplifiers, but it is producing 20,000 SM2000s a year, and this is enough, according to Mr. Smyth, to ensure profit.

The number employed has crept back up to 184 and Mr. Smyth has great schemes for expansion. He says that he has now got the marketing right and is convinced that there is demand for his SM2000s which retail at about £120.

"I've just come back from California where we picked up £5m of business in no time," he says.

The plan is to develop speakers for the unit and later amplifiers. The package would then retail for something over £700. This, however, is some way off.

In the meantime, Mr. Smyth is tying up a deal with the Japanese concern, AIWA, for parts manufacture and some assembly in Northern Ireland. AIWA is to put in specialised staff to advise.

Mr. Smyth is wary of saying what the capacity of the plant is but says "more" people will go on the payroll next year. A profit is possible by the end of next year. The first thing to be done with any profit is to pay back the £1m loan from the development authority.

While it is not just Mr. Concannon who will be cheered by Strathearn's apparent turnaround, it has been a very expensive lesson. One can only hope that Mr. John de Lorean to whom the Government is handing over more than five times as much as the cost of Strathearn for his sports car plant in a nearby area, has taken notice of it.

(Advertisement)

DKB'S ECONOMIC JOURNAL

October 1978: Vol. 7 No. 10

Soaring of yen exchange rate starts adversely to affect Japan's economy

According to the latest national income statistics (preliminary) based on the new System of National Accounts (SNA), the growth of real gross national expenditure in the April-June quarter of 1978 over the previous quarter stood at 1.1 per cent (seasonally adjusted for all figures), down perceptibly from the comparable growth of 2.5 per cent in the January-March quarter.

In the itemized breakdown of the April-June growth, the rate of contribution of domestic demand, based on private ultimate consumption spending and public capital formation, stood high at 2.1 per cent. In contrast, the corresponding rate of contribution of the surplus of the nation on the current account (demand in the external sector) showed a 1.0 per cent minus. This was a striking contrast with the previous January-March quarter when the contribution rates were positive for both the former (up 1.6 per cent) and the latter (up 0.9 per cent).

This trend is considered ascribable mainly to two major factors — a reactionary slowdown of exports after hasty export transactions in the January-March quarter by traders fearing the future upswing of the yen exchange rate against the dollar, and the impact of the soaring yen rate on export contracts in the April-June quarter.

The surplus of the nation on the current account continued to support the growth of real gross national expenditure almost without a break since the October-December quarter of 1976. However, it turned to offer a brake to the April-June quarter.

In view of the bearish turn of domestic business, the Government on September 2 approved the start of a 6-point package of new measures for stimulating business. Highlighting this new package were a positive program for shoring up domestic demand with a liberal addition to public investment outlays, sizable emergency imports of key materials worth $4 billion, and the return of windfall exchange earnings (due to the yen exchange rate upsurge against the dollar) to users by key industries, particularly electric power and city gas.

Meanwhile, the Government also announced its revised economic outlook for fiscal 1978 (April, 1978 - March, 1979). In this new outlook, the Government reiterated its determination to achieve Japan's real economic growth target of 7 per cent, as frequently pledged, but revised upward the prospective surplus of the nation's current balance of payments in the current fiscal year to $13,500 million (¥2,700 billion at the exchange rate of ¥200 to the U.S. dollar) from the low $6,000 million in its earlier estimate.

Production trend

Industrial production turned bearish in July. According to the Ministry of International Trade & Industry, the mining-manufacturing production index in July (seasonally adjusted for all related figures) registered a decrease of 0.8 per cent from the previous month. The shipment index in the same sector also dipped by 1.2 per cent from a month before.

Production has continued to mark time timidly after a sound advance (up 2.1 per cent over a month ago) in March. The MITI production forecast envisaged a modest 0.8 per cent gain in August, and a 1.4 per cent dip in September. All in all, the production keynote lacks energy.

On the other hand, inventory adjustment has been progressing relatively smoothly. For instance, the inventory index of manufactured products held by producers continued to sag by 1.1 per cent in June and 0.6 per cent in July.

Domestic demand

In the phase of fiscal expenditure, governmental payments for public works projects in August, 1978 registered a sizable increase of 24.2 per cent over a year before. The total amount of public works contracts awarded to the private sector in the April-August period also showed a sharp gain of 36.7 per cent over the year-ago level.

Smooth progress of public works projects as a major part of the business stimulation program of the Government is indicated in both cases. An additional outlay approved for public works projects under the new business bolstering package also is expected to help in the second half (starting from September) of the current fiscal year.

The trend of personal consumption expenditure has not been particularly encouraging. Real income and consumer spending (both nominal) of wage-earners' households have failed to show any increase since the April-June quarter of this year.

In view of the bearish standstill of personal income mainly because of the limited size of wage raises and the gloomy outlook of employment due to the corporate move to retrench the management scale, personal consumer spending is not expected to start a substantial rally, at least for the time being.

As to housing investments, one of major branches receiving top priority under the latest business bolstering package, housing starts in the April-June quarter of 1978 registered a sound 8 per cent increase over the corresponding period a year before partly on the strength of additional loans for 140,000 houses accepted by the Housing Loan Corporation in April.

As a reactionary decline appears likely in the wake of the April-June gain, no positive role will be played by housing investments in the rally of domestic business.

Referring to plant and equipment investments, machinery orders, a leading indicator of such investments, in July registered an increase of 10.4 per cent in the non-manufacturing sector and a decrease of 3.3 per cent in the manufacturing sector as compared with the previous month on a seasonally adjusted basis. Other related indicators generally have been faring poorly.

Under such circumstances, no tangible rally of plant-equipment investments is considered possible in the manufacturing sector in the near future especially in view of the still wide supply-demand gap in this area.

Export outlook

In a continuous upswing for months, the exchange rate of the yen against the U.S. dollar as of August, 1978 stood at the $1=¥188 level, up sharply by 41 per cent over the comparable $1=¥266 point in August, 1977 (the monthly average of the central inter-bank rate).

The rapid and steep appreciation of the yen exchange rate is considered to serve to make it increasingly difficult for manufacturers and traders to raise export prices for proper adjustment in the future.

Among major export products, export shipments of steel mill products in the first half of calendar 1978 declined by around 10 per cent from a year before. Passenger car exports in the interim also began to show signs of hitting the ceiling.

Meanwhile, export trade, customs cleared, on a U.S. dollar-denominated basis has been showing a trend different from that on a yen-denominated basis in recent months.

For instance, exports, dollar-based, in the April-June quarter of 1978 registered a sound 20.8 per cent increase over the year-ago level. The comparable gain continued to stay high at 14.8 per cent in July.

In contrast, exports, yen-denominated, registered a 2.2 per cent decrease in the April-June quarter from a year before, and dipped further by 11.9 per cent in July.

Exports in volume also declined by 2.9 per cent from a year ago in the April-June quarter and by 7.6 per cent in July. This bearish keynote of export trade is destined to continue for some time.

Business & employment

While domestic business thus has been timidly marking time, corporate profit performance apparently has been gradually improving, although at a slow tempo.

In the short-range economic survey (covering major enterprises) as of this August, the prospective pre-tax profit target of key corporations in the manufacturing sector in the first half (April-September) of the 1978 business term was revised upward from the estimate made in the previous survey as of May. In this revised estimate, the pre-tax profit in the first half was envisaged to gain by 19.3 per cent over the previous semi-annual period ended March, 1978. It also was expected to make only a slight decline of 2.5 per cent in the second half (October, 1978-March, 1979) from the first half.

The pre-tax profit target was similarly revised upward for the non-manufacturing sector in the central bank's latest survey.

According to the same survey, the ratio of pre-tax profit to sales in the manufacturing sector in the first half of the 1978 business term was estimated at 3.5 per cent. Although this ratio is still relatively low, it serves to indicate the steady recovery of corporate earnings from the bottom (under the current recession) of 0.76 per cent for the first half of the 1975 business term.

The recent rally of corporate earnings is partly ascribable to the contribution of the yen exchange rate appreciation to the profits of corporations in basic materials industries. Also considered responsible is the effect of the corporate management streamlining efforts based on the slash of fixed costs for rationally reducing the operation scale (which still are in swing) for coping with the slowdown of sales.

Nevertheless, the employment situation has shown virtually no signs of improving. For example, the monthly regular employment index has continued to stay below the year-ago level. The jobless rate in July still stood high at 2.1 per cent.

The completely unemployed in the same month numbered 1.15 million, up 100,000 over a year before.

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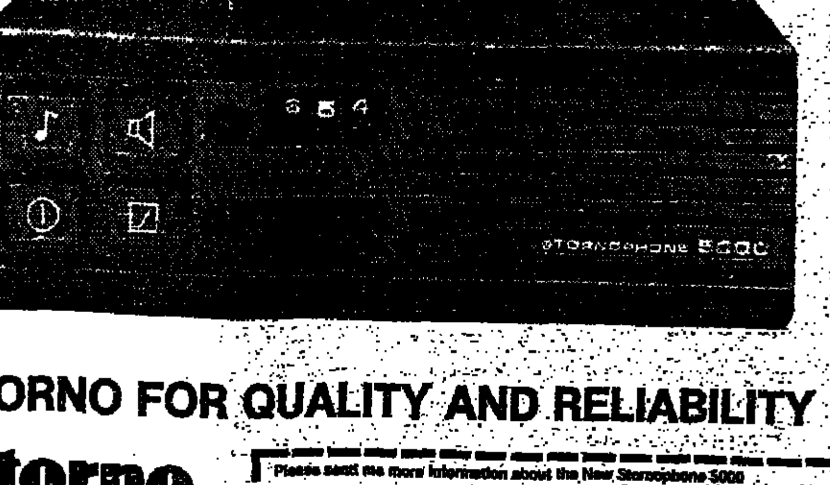

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STAY IN TOUCH WITH STORNO

Berger sells all its shops

BY ANDREW TAYLOR

HE BERGER paints group has ld almost all of its retail shops A. G. Stanley, the home ecorating concern, in a £2½m al.

Berger Jenson and Nicholson, subsidiary of Hoechst AG, the est German chemicals and ugs group, has disposed of 97 its stores, leaving it with 12 ops operating in the North-st.

Stanley already owns 120 ome decorating shops, operat-ng largely in the South, but lso in Lancashire, Yorkshire d Cheshire. The Berger deal ill take the group's shops into e South-west for the first time.

Mr. Malcolm Stanley, chair-an and chief executive of the oup, said yesterday that he pected that all 217 shops ould be trading under one nner within the next 12 onths. The Stanley shops now ade as "Fads" but the group is nsidering modifying or chang-g this name.

Stanley is paying £800,000 in sh and issuing 878,229 new ares to meet the cost of the al. This will give Berger an per cent stake in the group, hich it says it will maintain a long-term investment.

Stanley has also agreed to pro-de 20 per cent of its shelf ace to selling Berger paints er the next five years.

Berger said yesterday that the al had been put together in out six weeks. With only a all number of retail shops, d given the difficulty of expand-g this base, due to a shortage retail sites, it had decided to cept the Stanley offer.

Last year Stanley earned pre-x profits of £1.1m compared ith £925,000 in 1976. Turnover se from £12.3m to £16.1m.

Inmos to announce two microprocessor centres

BY JOHN LLOYD

INMOS, the microprocessor manufacturing subsidiary of the National Enterprise Board, is shortly to announce the establishment of two technical centres, one in the UK, one in the U.S., for research and development on its products.

Bristol is emerging as a favourite site for the UK operation.

About 1 000 people will be employed in the U.S. centre and between 500 and 1,000 in the UK's.

At the same time, the company will commission a study on the future siting of its UK production plant, where microprocessors and mini-computer memories will be manufactured in the early 1980s. The plant is expected to employ about 4,000 people.

However, during a legal wrangle between the company and Mostek, one of the bigger U.S. semi-conductor companies, three of the five Mostek workers taken on by Inmos have in effect returned to their former company.

Last month a temporary injunction aimed at preventing the five men from working for Inmos was dismissed by a U.S. court.

Mostek's suit had claimed that five former Mostek employees — Dr. Paul Schroeder, Mr. Dave Wootton, Mr. Ward Parkinson, Mr. Dennis Wilson and Mr. Douglas Pittman — would in the course of their work for the new company betray Mostek trade secrets.

Mr. Parkinson, Mr. Pittman and Mr. Wilson have formed a consultancy, named Micron Technology, with Mostek as its sole client.

It is understood that all three, who were in key positions, have returned to their previous work on development of the 64K random access memory.

Philips rules out price sanctions

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

RETAILERS WHO sell Philips Industries domestic appliances, like dishwashers or refrigerators, at heavily discounted prices will not have their supplies reduced, Philips told the Office of Fair Trading.

The company's assurance follows reports earlier this year that Philips was trying to establish a minimum selling price for its domestic appliances and would apply sanctions in the form of reduced supplies to any retailers who sold below this price.

Such a move would directly contravene the 1976 Resale Prices Act which makes it unlawful for manufacturers to dictate to retailers the minimum retail price of a product. Manufacturers may still publish recommended retail prices and a suggested going price, but cannot enforce such prices through sanctions.

Philips has admitted to the OFT that the recommended retail prices are largely "cosmetic," as most dealers offer substantial discounts. The company says, however, that it abandoned such prices some time ago in sympathy with the official view that they were misleading. The company says it has had to re-introduce them because competitors continued to provide price suggestions.

The suggested going prices represent the prices at which the company thinks a reasonably efficient High Street shop could be expected to sell the goods.

Philips claimed in discussions with the OFT that reports earlier this year that it was recommending minimum selling prices and enforcing these by sanctions were a result of statements made without the full authority of the company.

Powell attacks Heath's views

By John Hunt, Parliamentary Correspondent

MR. ENOCH POWELL, the Ulster Unionist MP and a former Tory Cabinet Minister, last night launched an attack on Mr. Edward Heath for his endorsement of the Government's incomes policy based on firm wage guidelines.

The debate within the Conservative Party also continued, with Mr. Geoffrey Finsberg, MP for Hampstead and a vice-chairman of the party, making a rejoinder to Mr. Heath without mentioning him by name.

Addressing export managers in London, Mr. Powell said that Mr. Heath was angry at the suggestion that an increase in money supply caused a fall in the value of money.

If a typhoid epidemic proved to have been caused by water, Mr. Heath would say "Nonsense; we must fight the epidemic on all fronts—pure air, rich food, services in the churches, magical ceremonies, the lot. Confound these waterists and their dogmatism."

At a Conservative meeting in Enfield, north London, Mr. Finsberg said that politicians who called for an incomes policy based on blackmail and sanctions were not living in the real world and had never had close, practical connections with industry and commerce.

Monetary policy line 'must wait'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITAIN should not reach any hasty decisions about membership of the European Monetary System and it might be difficult to reach a final choice until close to the December deadline, Dr. David Owen, the Foreign Secretary, said yesterday.

No firm decisions could be made until after Mr. Callaghan, the Prime Minister, had held his planned bilateral discussions in London on November 22 with Mr. Andreotti, the Italian Prime Minister, and in Paris on November 24 with President Giscard d'Estaing.

Dr. Owen, speaking at a luncheon in London, said that the British contribution to the monetary system debate had been in the interests of the Community. It was not in the interests of member states to pay lip service to the system if it was not a genuine monetary system.

● A group of pro-EEC Labour MPs has written to the Prime Minister welcoming his "positive approach" to the proposed European Monetary System and urging the importance of Britain joining the scheme at its inception.

"We believe its represents a major step forward in closer economic co-operation in Europe and that it would be gravely damaging to Britain's interests if we were to exclude ourselves from such a relationship," they state.

This endorsement of Mr. Callaghan's handling of the negotiations follows the stormy session of Labour's national executive committee on Monday when the EMS proposals came under strong criticism from Left wingers, notably Mr. Anthony Wedgwood Benn, Energy Secretary.

The pro-Marketeers in the party intend to make their views felt in the House after Parliament re-assembles next Wednesday.

They believe that there is a large section of Labour MPs who have not yet made up their minds about the proposals and who are waiting for further explanations from the Prime Minister and Mr. Denis Healey.

The letter says that the Cabinet should give the most serious consideration to the benefits that could arise. The opposition of some members of the party to anything to do with Europe should not prevent the Government from pursuing the negotiations with a determination to achieve British membership

"We should not forgo a British share in the economic and political advantages that a successful European Monetary System would bring."

The letter is signed by Mr. John Roper (Farnworth), Mr. Roderick MacFarquhar (Belper), Mr. Ian Wrigglesworth (Thornaby), Mr. Mike Thomas (Newcastle-upon-Tyne East), Mr. Giles Radice (Chester-le-Street), Mr. Michael Stewart (Fulham), a former Foreign Secretary, and Mr. John Cartwright (Woolwich East).

Money supply changes 'needed'

BY DAVID FREUD

EEC COUNTRIES will have to switch national policies from setting domestic money supply guidelines to exchange rate stability under the proposed European monetary system, according to City stockbrokers Phillips and Drew.

For the system to work, the firm says that the domestic monetary policy of the members will need to be brought into harmony.

But since each country had its own banking institutions and practices and its own trend increase, or decrease, in the velocity of circulation, it would make little sense for EEC countries to have a standard definition of the money supply and common growth targets.

"Such uniformity would almost certainly rule out a genuine harmonisation of domestic monetary policies of a kind which would enhance the stability of exchange rate relationships."

The only course open to participating countries in practice would be to adjust their domestic monetary policies in a flexible way to the extent required to maintain exchange rate stability.

New warehouse

BONDED warehouse facilities are now available from Dales (London), the SPD Group company.

The warehouse in Wakefield, West Yorkshire, covers 30,000 square feet on a four-acre site.

Dales will run the open facility for wines and spirits and buy distribution services through SPD Group Services.

Production of paper and board improves

BY MAX WILKINSON

APER AND board production proved during August bring-g the total for the first eight onths to slightly below last ar's level.

In the earlier part of the year oduction lagged behind last ar's levels, reflecting the low vel of UK demand and in-reasing competition from mports in certain sectors.

Figures issued yesterday by he British Paper and Board ndustry Federation show that the cumulative total production for the first eight months of the year have reached 2.7m tonnes, only 0.5 per cent below last year's level.

It is now expected that production for the full year will be substantially ahead of last year's total.

The best performance has been in printings and writings, paper and boards, which are showing a 4.6 per cent increase on last year's production level.

Staffa sold for £100,000

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

HE ISLAND of Staffa, site of ingal's Cave, has been sold to a tired Scottish accountant for out £100,000.

Staffa, bought six years ago by r. Alistair De Watteville, was ered for sale by tender through e Edinburgh office of surveyors night Frank and Rutley.

The firm is believed to have ceived nearly 100 offers for e freehold, 70-acre uninhabited land off the West Coast of otland.

Among the bidders hopeful velopers were fairly matched investors trying to prevent y disturbance of the island's ildlife. The unnamed Scottish buyer made his offer in an effort to prevent commercialisation of the island.

He has no plans for its development. But he is happy to see regular visitors to the island as long as they do not disturb its "charm and wildlife."

Mr. Ronald Milhench, the controversial businessman who served a prison sentence for forging Sir Harold Wilson's signature over the "Wigan Alps" land reclamation deal four years ago, claimed to have made an offer for the island and to have a £10m development plan for it. But his name was not among the formal bidders.

Dealer pays £8,200 for Japanese prints

SALEROOM

BY ANTONY THORNCROFT

IE TOP price paid at Sotheby's sterday was among the Japan-e prints, with Sawers, the ndon dealer, giving £8,200 for set of 12 prints by Kiyonobu. e sale totalled £118,924.

An Old Masters auction brought £58,640, with best prices of ,200 for a Venetian view, talogued Canaletto, and £7,100 om Colnaghi for "A Bac-anal," catalogued Poussin. In routine Impressionist auction, uf dem Strand," by Max ayershofer, fetched £1,200.

Sotheby Parke Bernet in New ork has bowed to the prevailing nd and introduced a 10 per nt buyers' premium, while re-icing its vendor's charge to 10 r cent.

Other leading houses split their arges in that way and since Christie's arrived in New York in 1977 Sotheby Parke Bernet has been out on a limb. By reducing the charge to sellers the saleroom is in a better position to obtain collections that might pass it by. The new rates operate from January 1.

At Christie's, jewels brought in £168,750 and books £54,485. S. J. Phillips paid £13,000 for a rectangular sapphire single stone ring.

In the books, "Carte Topographique du Comte de Namur" by Jaillot sold for £1,900 and "Liber Veritatis," by Claude Lorrain, made £1,300.

At Glendining, naval and military decorations and medals sold for £57,892, with a top price of £7,000 from Graham for a Gallipoli Victoria Cross group, one of the famous "Six Before Breakfast." which was awarded to Sergeant Richards of the Lancashire Fusiliers.

At Christie's South Kensington, pictures made £64,329 and furniture £72,500.

Rare wines for sale

BY EDMUND PENNING-ROWSELL

Christies have "unearthed" d are selling on November 30 d December 12 rarities from e private cellars of two very stinguished Bordeaux châteaux. ey are both family properties Suduiraut, a leading Sauternes, d La Mission-Haut-Brion, the lebrated red Graves.

Each has over a long period massed stocks larger than could used for private consumption d entertaining and the families e disposing of the excess quan-ties. It is these, with a few th-century rarities and larger nounts of more recent vintages, at Christies will offer in two ening sales.

Twenty-three vintages of duiraut will be represented, om 1829 to 1972, and the half-ttle of 1820 will be the oldest uternes that Christies have auctioned in recent years. There will also be half-bottles of the 1869 and 1892, three bottles of 1900, and substantial quantities from 1958 onwards.

The range of vintages from La Mission-Haut-Brion, and its associated properties La Tour-Haut-Brion and the white Laville-Haut-Brion is even more comprehensive, with 62 vintages of La Mission Haut-Brion from 1878 to 1975, 32 vintages of La Tour-Haut-Brion, from 1904 to 1975, and 46 vintages of Laville-Haut-Brion from 1928, when it was first started, to 1976.

Four 19th-century years from the La Mission cellar will be offered and small quantities of later vintages until the inter-war years when bottles and magnums of most years will be on offer, including three dozen 1920, and 10 dozen 1929.

Finding the right person for the job is a job in itself.

No one job is exactly the same as another.

Which is why, at your local Jobcentre, we have different ways of matching employers' needs with the skills, talents and qualifications that jobseekers have to offer.

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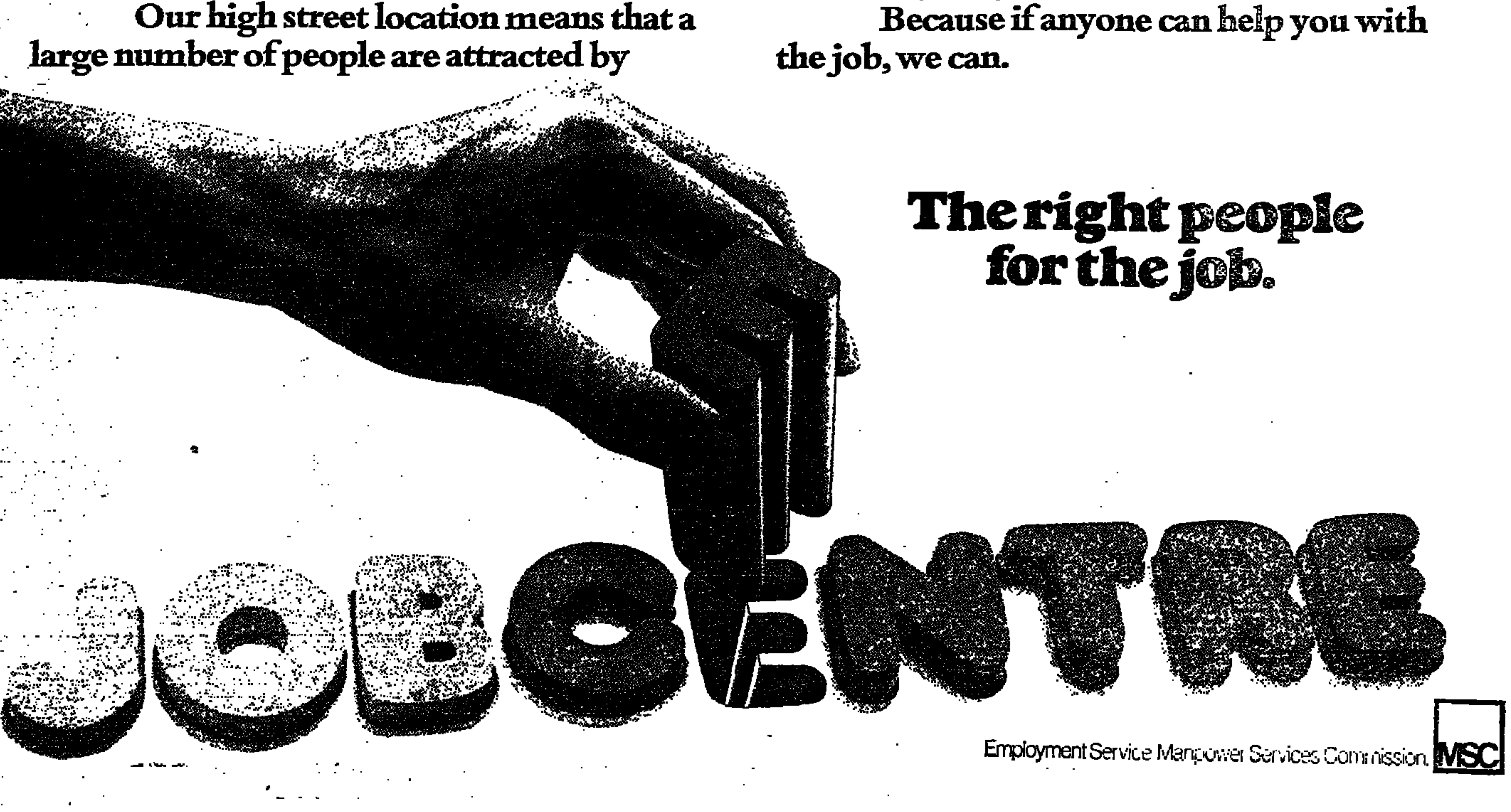
Next time you've got a vacancy (or vacancies), why not come and talk with us?

Because if anyone can help you with the job, we can.

The right people for the job.



Employment Service Manpower Services Commission MSC

HOME NEWS

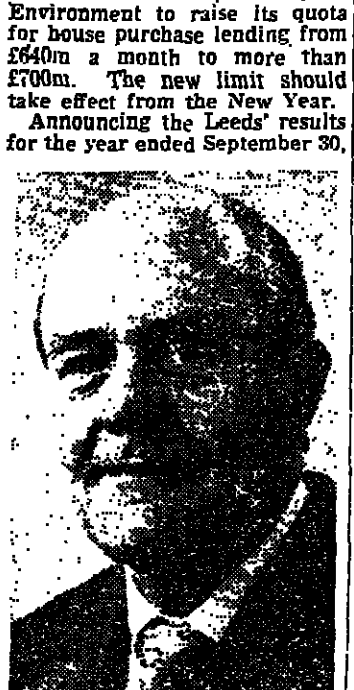
Higher mortgage quota demanded

BY EAMONN FINGLETON

A 10 PER CENT increase in the Government's limit on building society mortgage lending was urged yesterday by the Leeds Permanent Building Society.

Mr. Stanley Walker, the society's chief general manager, called on the Department of Environment to raise its quota for house purchase lending from £640m a month to more than £700m. The new limit should take effect from the New Year.

Announcing the Leeds' results for the year ended September 30,



Mr. Stanley Walker

Mr. Walker said that most would-be borrowers were now having to wait at least three months for their mortgages.

The Government started restricting house purchase lending in the spring in an effort to avoid an explosion in house prices.

A further government measure needed to boost housebuilders' confidence was easier availability of building land.

In the latest year, the Leeds raised its total mortgage lending by £135m to a record £512m.

OBITUARIES

Mr. G. C. (Gerry) Thackrah

Mr. Thackrah, International Harvester's Marketing vice-president for Europe and the Middle East, has died after a heart attack. He was 48.

During his 28 years with International Harvester, Mr. Thackrah held many marketing positions, including export sales manager and subsequently marketing director of International Harvester Great Britain.

He was appointed vice-president marketing for Europe and the Middle East with the Payline Group, which produces and markets the construction and industrial equipment of International Harvester, early last year. In this position he was the chief architect of their new organisation based at Hounslow.

Mr. Tom Cowman

Mr. Cowman, chairman of the Royal London Mutual Insurance Society, has died in hospital after an operation.

He joined the society's field staff in 1934 as an agent at Wallsend, and became assistant superintendent. In 1938, he was appointed superintendent at Hawick.

In 1956, he became an area superintendent in Scotland, later transferring to Lancashire. He became a director in 1961, and in 1967 was appointed general manager with special responsibility for field administration. Mr. Cowman became the society's chief general manager in 1973 and deputy chairman the following year. He relinquished his executive post as chief general manager in 1975 but continued to serve as a non-executive director and deputy chairman until 1976 when he became chairman.

Car leader rejects imports controls

FINANCIAL TIMES REPORTER

SIR BARRIE HEATH, chairman of the Society of Motor Manufacturers and Traders, came down firmly yesterday against export subsidies or import protection in a statement calculated to reassure Japanese motor industry leaders who meet their opposite numbers in Britain early next month.

Both subsidies and protection have been demanded by politicians and sections of the motor industry, and the Japanese have instituted voluntary restrictions on shipments.

However, in a speech to Birmingham Chamber of Commerce, Sir Barrie suggested four priorities to recapture the UK's international position in world vehicle markets:

- Improved efficiency and productivity — "our worldwide competitiveness depends on just that;"
- improved profitability "needed to generate and attract new risk capital for investment in future success;"

Enterprise

- a heightened spirit of enterprise and enthusiasm, "the ingredients vital to an improved working atmosphere, and for identifying new opportunities;" and
- efficient and full production at once to reverse the trend of increasing foreign penetration in the UK and its overseas markets. But, this should not be achieved by export subsidies or by protective measures.

As a believer in free competition, the motor industry was among the first to welcome Britain's entry into the Common Market.

Since then, some of its representatives have weakened as foreign car imports, mainly from Japan, have helped to take half the home market. They have welcomed the Government's pressure on the Japanese industry to restrict imports.

Sir Barrie, chairman of GKN which is the biggest supplier to the vehicle industry, has now made it plain that the society does not believe such measures are in the long term interests of the UK motor industry.

His commitment to free competition will help to clear the air before the UK and Japanese industry leaders get down to discussing how to redress the balance of vehicle trade on November 6 and 7.

Peugot probes components

BY PAUL TAYLOR

A TEAM from Peugeot Citroen, in Britain to investigate the components market, met Mr. Alan Williams, Industry Minister, and components manufacturers yesterday to discuss the possibility of UK companies increasing supplies of parts to the French car group. Only a tiny proportion comes from Britain at present.

The team, led by M. Robert Lansard, buying director of Automobile Peugeot, met Mr. Williams at the Motor Show. Afterwards, Mr. Williams said that the French company "Genuinely wants to buy British components, not just for Chrysler but for Peugeot Citroen as well." The team intended to visit 130 UK companies.

The company had told him that while price was important, "reliability and certainty of delivery is even more so."

The visit, expected to last five days, was arranged at the request of the Department of Industry throuh diplomatic channels. It is seen by the department as a reaffirmation of the section of the Chrysler letter of intent which said that the French company would give UK manufacturers "every opportunity" of competing for the supply of components.

It is understood that the team is interested in buying a wide range of components, although no fixed shopping purse has been mentioned.

Mr. Williams said yesterday that as far as the company was concerned, there was no question of France dictating to Chrysler UK where to buy its components.

Peugeot Citroen was looking for long-term suppliers who would enable developments of components to match the company's changing requirements.

The team's visiting list includes GKN and Lucas.

- Aston Martin, the specialist car manufacturer, yesterday signed a £500,000 contract with Japan which means that its entire output next year has been sold.

Trade 'well aware' of fraud

BY OUR CONSUMER AFFAIRS CORRESPONDENT

FURTHER DETAILS of the £10m-a-year car mileage frauds alleged by Mr. Gordon Borrie, Director-General of Fair Trading, were disclosed yesterday at the Motor Show.

Mr. Reggie Montclare, a director of Glass's Guide to Car Prices, said that the trade was well aware of how far the speedometers were turned back on cars offered for sale.

A two-year-old 1600 model of the Ford Cortina, Britain's most popular car and the most widely used by companies for their employees, might be sold for £300 more if its mileage was turned back from 40,000 miles to 20,000 miles.

For more expensive cars, the profits were much greater. With a two-year-old Rover 2200, rewinding the clock might make £25 for every 1,000 miles rewound, he said. With a Jaguar XJS it was £50 a thousand miles.

With a Rolls-Royce, about £150 could be made for each 1,000 miles rewound. For a two-year-old Silver Shadow, with mileage reduced from 40,000 to 20,000 that would mean an extra £3,000 on the selling price.

Mr. Montclare in part blamed the public for the widespread frauds. "Far to many people want low-mileage cars. In fact, the low-mileage car might have had a far harder life than the higher, well looked-after business car."

Mr. Borrie has promised action by the Office of Fair Trading against any "rogue" dealers found selling cars with a false mileage.

Pact on airlines likely soon

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A FORMAL agreement between the UK, French and West German Governments, covering the UK's membership of the European Airbus Industrie consortium to help develop the new A-310 200-seat airliner, is expected to be drawn up and signed within a few weeks.

The companies involved in the manufacture of the A-310—British Aerospace, Aerospatiale of France and Deutsche Airbus of West Germany (including Messerschmitt-Bolkow-Blohm and VFW-Fokker) will also revise and strengthen their present tentative industrial agreement, initialled a few weeks ago, to allow for full UK participation in the venture.

These moves will follow Tuesday's announcement from Paris that the French Government, acting also on behalf of the West Germans, had approved an agreement reached in talks between officials covering British membership of Airbus Industrie.

The new government treaty and industrial pact will cover all the necessary legal, financial and industrial obligations of the three partners. They are necessary because the existing arrangements for Airbus Industrie cover only two partners, France and West Germany.

The French and West German Governments yesterday officially welcomed the new agreement, but there was no comment from the UK Cabinet Ministers, who were members of the special sub-committee set up earlier in the summer to study the question of future UK aerospace programmes, were given details.

There is not likely to be any formal UK Government statement until it has approved all the details. It is thought possible that clarification of some points may still be sought.

One of these is the question of voting rights, over which there was some confusion following the Paris statement on Tuesday by M. Joel Le Theule, French Transport Minister.

It is understood that the UK will get full voting rights in Airbus Industrie, in addition to its 20 per cent share of the work on the A-310, from January 1 next, when it formally takes up membership.

The statement by M. Le Theule that Britain would get equal rights with France and West Germany from August 1, 1981, is understood to refer to certain aspects of the existing A-300 programme, in which Britain has been a non-risk bearing sub-contractor on wing manufacture, earning substantial profits.

That existing contractural arrangement, which did not carry with it voting rights, now has to change in accordance with Britain's new status in Airbus Industrie.

The UK's 20 per cent stake is broadly understood to include design, development and manufacture of the basic wing for the A-310, with VFW-Fokker of Bremen (which has been designing a wing of its own for the A-310 pending an agreement on Britain's role) undertaking some parts of it also.

British Aerospace has to settle where the wing will be assembled — probably at Chester, where existing A-300 wings are put together — and where the parts will be made, and what new machine tools and labour will be needed. It is expected that factories at Hatfield and Filton, near Bristol, will share in the work.

LABOUR NEWS

Miners top pay league

BY DAVID FREUD

MINERS AND managers did best out of pay rises in the year to April, according to the Department of Employment earnings survey, published yesterday.

Figures in the department's monthly gazette show that the miners, with rises of 27.2 per cent., enjoyed the biggest increase of any large group but that earnings in general management rose by 18.2 per cent, faster than the average for the economy.

Top managers of trading organisations had rises of 19 per cent.

With average weekly earnings of £104.10, coal miners had the highest pay among manual workers. Slightly less than half their rise was in productivity payments. Their increase compares with 21.6 per cent for furniture workers, the runners-up.

Average earnings rose 12.6 per cent over the year. In April they were £78.10 a week for all men and women. The average for men was £87.10, broken down into £98.50 for non-manual workers and £79.10 for manual employees.

The average male office worker now earns more than £100 a week.

Women's average earnings were £56.40 a week: £59.10 for non-manual workers and £49.40 for manual. Only four per cent of women earned more than £100 a week.

The survey indicates that the increase in earnings in the private sector is rapidly outstripping that in the public sector.

Men's earnings in the private sector rose 15 per cent and women's 14.4 per cent, while the rises in the public sector were 10.3 and 7.6 per cent.

Some of the divergence was caused by late agreements among workers in the Post Office, electricity industry and National Health Service, whose rises were not included in the survey.

A main reason for the divergence, however, is the pick-up in economic activity this year, offering overtime and productivity payments to the private sector.

Between 1970 and 1978 earnings by men in the public sector rose at an average annual rate of 15 per cent., compared with 14.5 per cent. in the private sector.

The picture is reversed for women, where the greater impact of equal pay legislation in the private field has meant an average annual rise of 17.1 per cent in the eight years, compared with 15.9 per cent in the public sector.

Education spending complaints

By Michael Dixon, Education Correspondent

TEACHERS' and students' unions yesterday made hurried efforts to forestall the Cabinet's expected decision this morning to shelve a plan to spend £100m on providing grants to 16- to 18-year-old children who continue their education.

The National Union of Teachers said that it would Cabinet Minister, urging con- an "acid test" of the Government's sense of purpose over education.

The National Union of Students sent letters to every Cabinet Ministers, urging continuation of the plan, and the National Union of School Students sent an open letter to Mrs. Shirley Williams, Secretary for Education and Science.

Michelin snubs Phase Four with 9% offer

BY NICK GARNETT, LABOUR STAFF

MICHELIN YESTERDAY became the third major company to make a pay offer in open breach of the Phase Four 5 per cent limit.

National officials of the Transport and General Workers Union said the offer, to the company's 3,000 manual workers, was worth an equivalent of 9 per cent, with a possible further 2½ per cent later.

The company made no reference in negotiations to the 5 per cent. It stressed, however, that the offer was related to improving Michelin's business performance over the next year, though not through any straight productivity deal, and that this would be reflected in the company's ability to pay.

Any settlement at Michelin is likely to have widespread implications in pay negotiations for the rubber industry's total manual labour force of 45,000, in companies like Dunlop, Goodyear and Firestone.

It is still unclear if the present Michelin offer, which is due to be put to its workforce shortly, will be accepted.

Last year manual workers had a stepped 10 per cent Phase Three deal. This gave average rises of 8 per cent for the first few months, 11 per cent for the middle period of the year and 14 per cent for the last months of the deal.

The Department of Employment, however, required the company to pay the last 3 per cent of the deal as a special supplement. The agreement to pay that supplement terminated when the deal came to an end in September.

Mr. John Miller, the Transport Workers national secretary for chemicals and the leading union negotiator at Michelin, said the company had offered to "reinstate" and consolidate the 3 per cent.

It had also offered to pay a further 5 per cent on earnings and there would be a possible further 2½ per cent next May if the company's performance justified the payment. That payment would be made as a supplement.

The company has stressed to the union side that as part of the deal the union should stick much more closely to existing dispute procedures, and try to eliminate unofficial industrial action and absenteeism.

Although this does not apparently form a productivity deal within the limits of present Department of Employment definitions the company is saying that a deal such as it has offered will make for better business performance and consequently boost its ability to pay.

A substantial pay claim for Shell's 4,000 refinery workers, who are due to settle in January, was drawn up yesterday by the Transport and General Workers Union.

Vauxhall strike still on as talks reopen

BY PHILIP BASSETT, LABOUR STAFF

VAUXHALL will re-open pay talks today with union representatives of its 26,000 manual workers. Shop stewards at the company's Ellesmere Port plant yesterday confirmed the assembly workers' decision to strike from November 1 unless the company improved its offer.

The trade union side will again be looking for an increase in pay before they discuss the productivity deal offered by the company. But their position will be weakened after the Luton and Dunstable workers rejected a strike call against the company's pay offer, which averages 4.5 per cent.

Union negotiators will consider whether the Luton and Dunstable votes commit them to the offer.

The resumed pay talks at Rugeley, Staffs, will be lobbied by a delegation from Ellesmere Port.

Rejection

Transport and General Workers Union shop stewards, representing about 3,000 Ellesmere Port workers, met yesterday after the 13,000 Luton workers overwhelmingly rejected the strike call on Tuesday. The Ellesmere stewards said the Luton decision was "regrettable," but re-affirmed their intention to strike unless the company improved the offer.

A strike at Ellesmere Port would eventually close the Luton and Dunstable factories. The three plants are interdependent and Ellesmere Port supplies the other two with gear-boxes, axles and other components.

Senior union officials at Luton were still considering their position yesterday after the rejection of the strike call. Mr. Jim Lambert, deputy TGWU convenor, said: "Last year we won an 18 per cent pay award. This year we turned down 4.6 per cent. We refuse to accept that there has been that much damage to the company's situation in the past 12 months."

The trade union side of the Ford joint negotiating committee yesterday agreed to meet the company tomorrow for resumed pay talks. The move will break the deadlock in a strike by 57,000 manual workers, now in its fifth week.

Mr. Sid Harraway, chairman of the Ford body plant shop stewards' committee, said after yesterday's meeting that the company would be putting an improved offer at tomorrow's meeting. There have been suggestions that it could be more than double the Government's 5 per cent guideline.

Strikes hit high point

By Philip Bassett, Labour Staff

THE FIRST effects of the Ford strike appeared yesterday in figures of industrial stoppages. The number of workers involved in strikes last month was the highest this year, and 1.39m working days were lost in the motor industry in the first nine months.

The Department of Employment refuted an assertion made by a group of industrialists that the strike figures the Department issues flatter Britain's motor industry by ignoring the unofficial disputes which affect production.

The Department said that the figures included all strikes, official or not, except very small ones involving fewer than ten workers or losing less than one day, and even those were included if they cost in total of 100 or more working days.

Many small strikes in the motor industry were not covered by its figures, the Department admitted. It had been in touch with motor manufacturers to see how the recording of such disputes could be improved.

The Department was confident that its count of working days lost, generally accepted as the best indicator of strike activity did present a fair picture of the country's strike record.

The Ford strike, now in its fifth week, was reflected in the provisional figure for September issued by the Department. The number of stoppages beginning in the period was up by 8.4 per cent, from 154 to 167.

Working days lost rose by 86.9 per cent, from 460,000 to 860,000, and workers involved in strikes rose by 22.8 per cent, from 79,000 in August to 97,000 last month, the highest figure for the year.

Production at Ford's plants was halted "after workers walked out over the company's decision to conform with the Government's pay guidelines of 5 per cent."

Though the Ford strike has strengthened the upward turn in the strike figures for the year, figures for the first nine months are down by a quarter compared with the same period 1977.

The number of working days lost in the period fell from just over 6.5m to 5,034,000, with the number of workers involved falling from 814,400 to 749,300.

The 1.39m stoppages in the motor industry again head the figures of working days lost in the nine months. Next comes engineering, with 681,000 days lost.

Times journalists offered pay rises

BY CHRISTIAN TYLER, LABOUR EDITOR

TIMES NEWSPAPERS, which has threatened to suspend publication from the end of next month if it fails to get agreement on industrial relations reforms and the introduction of new technology, yesterday offered its 490 journalists pay rises in return for their co-operation.

Following agreement of all the unions involved, the journalists would each get £500 a year. The minimum rate, at present between £4,900 and £5,100 a year would be raised to £6,500.

There would be a salary increase of 5 per cent next summer to remove anomalies and differentials, a "limited pay review" for journalists earning just above the new minimum, big pensions improvements and an extra week's holiday, to make six weeks a year.

Apart from consenting to new technology, which will be introduced in about 18 months, journalists, like the other employees, would have to give a guarantee of uninterrupted production, and observe disputes procedure.

The two chapels (office branches) of the National Union of Journalists — covering the Times and its supplements, and the Sunday Times — heard the offer yesterday and are preparing their reply.

The company is asking for agreement to manpower cuts, and is describing its pay offer as a self-financing productivity bargain. The extra money would come out of the savings in labour costs, particularly among the printers, whose numbers would be most affected by new technology.

Mr. John Grant, managing editor of the Times, said yesterday the company was offering a "genuine productivity deal" out of staff reductions. The proposals put to the journalists depended on a successful outcome of negotiations with each of the unions.

A tip in your favour

Mrs Castle's new state pension scheme goes so far, but is that far enough?

For most directors and higher paid employees, the answer is no.

Because the state scheme does not currently provide tax-free cash in hand at retirement, nor full security for your family if you should die before retirement-important points when you look at the escalating cost of living.

The solution to your problems could be MGM's 'Design for Retirement'.

MGM's plan enables you to build on the foundations of the state scheme-or your own private scheme-and create a tax-efficient package of fringe benefits for you and your employees. 'Design for Retirement' is simple to run-because MGM does all the paperwork-and is so flexible it can be tailored to suit your own specific circumstances.

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FT 12

Print fund cash call

MORE THAN 3,300 British printing companies are being asked today to contribute to a £1m fund to protect them against industrial action by printers who have been blacking new machinery.

In a letter to all its members, the British Printing Industries Federation says that half the sum is to be collected immediately to give financial support to victims of action by the National Graphical Association.

It will be used initially to help companies meet interest and depreciation charges on machinery lying idle and the BPIF council will decide later what other forms of help should be given.

The Federation claimed yesterday that action by the NGA had left investment by printing companies in new machinery and equipment at a standstill.

In the past couple of weeks, the number of companies reporting blacking problems to the BPIF is said to have risen by 30 per cent to about 80.

NGA members have been instructed by the union not to operate newly installed machinery unless they receive more money for the extra skills required.

The Federation has offered to negotiate on the union's claims but only on the understanding that approval is given by the Department of Employment on the date for implementing any settlement—a condition which the NGA has refused to accept.

Pensions transfer plea

INDUSTRY MIGHT be helped if pension rights could be more easily transferred between companies, the Association of Professional, Executive, Clerical and Computer Staff (APEX), said today.

Given such an improvement, it said, experienced, skilled, and professional staff would not be deterred from changing jobs.

APEX, in a written submission to the Occupational Pension Board, which is inquiring into the protection of pension rights, and to the TUC, said that loss of accrued pension rights on changing jobs is an obstacle to effective use of skilled manpower.

It said: "The outmoded idea that the most valuable employee is one who remains a lifetime with one employer must be rejected."

Bonus dispute

MAINTENANCE engineers and electricians at Robinson and Sons, Chesterfield, Derby, have gone on strike in support of a pay claim. The company said yesterday that the dispute arose over failure to agree on an increased productivity bonus. The 150 members of the AUEW and ETPU instituted an overtime ban and work to rule four weeks ago.

Ignorance is no longer an excuse.

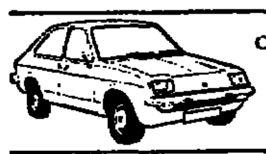
Ignorance isn't bliss.

Until fairly recently, it has been quite reasonable to think that the major car-rental companies were all much of a muchness. Efficient, extensive, flexible – and comparable in cost.

However, the recent publicity surrounding Swan National has effectively terminated this cosy assumption.

Swan National are a damn sight more cost effective. If renting cars is your responsibility, consider how this can improve your company's profitability.

Taken from current national tariffs. Swan National 12 July 1978. Avis April 1978. Godfrey Davis 2 May 1978. Hertz 1978.

TYPE OF CAR		SWAN NATIONAL	AVIS	GODFREY DAVIS	HERTZ
	CHEVETTE L	WEEKLY UNLIMITED **£58.00**	WEEKLY UNLIMITED £66.00	WEEKLY UNLIMITED £64.75	Hertz refrain from publishing unlimited mileage rates. As an indication of cost differential however, Hertz daily rate for a Cortina, 2.0 GL is £12.00+12p per mile. **Swan National rate is £9.00+ 8p per mile.**
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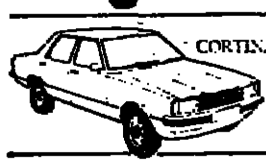
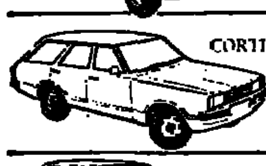
	CORTINA 1.6 OR 2000 (GL AUTO)	WEEKLY UNLIMITED **£95.00** (1.6)	WEEKLY UNLIMITED £125.00 (2000)	WEEKLY UNLIMITED £105.00 (1.6)	
	CORTINA ESTATE 1600L	WEEKLY UNLIMITED **£95.00**	WEEKLY UNLIMITED £112.00	WEEKLY UNLIMITED £105.00	
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BUSINESS BOOKS

Facing up to the new competitive challenge

BY GEOFFREY OWEN

La Grande Menace Industrielle, by Christian Stoffaes. Editions Calmann-Lévy, 3 Rue Auber, Paris 9e, Price FFr 59.

The emergence of the developing countries as exporters of a wide range of manufactured goods poses problems of adjustment for the industrial powers, particularly France and the UK. In only a few industries can these two countries match the international strength of West Germany Japan and the U.S. They are at a disadvantage, not only with trade among the developed countries but also in supplying the developing world with capital equipment and other industrial products.

Objectives

The objectives of "industrial strategy"—a term which is used with rather more precision by the present French Government than in the UK—should include: a greater specialisation in products for which world demand is expected to grow rapidly and which, because of advanced technology or reliance on highly skilled manpower or for other reasons, are suitable for manufacture in the industrial countries; a willingness to run down employment in those sectors which do not meet these criteria; and the creation of more companies, whether large, medium-sized or small, which can achieve and maintain a position of world leadership in their fields.

Implicit in such a strategy is, or should be, the principle of complementarity between developing and developed nations. Several studies have shown that the number of jobs created by exports to the developing countries matches or exceeds the jobs lost through imports from them. But to profit from this international division of labour the industrial country must be able, first, to offer the products which the developing country wants and, second, to resist protectionist demands from sectors in decline.

Looked at in this light, the shortcomings of French and British industry are evident. As M. Christian Stoffaes points out in a book which contains valuable insights for students and practitioners of industrial policy, France's brilliant success in passenger cars masks serious weaknesses in other branches of engineering, such as machine tools and commercial vehicles. Mr. Stoffaes suggests that the economic policies which helped the car makers, notably exchange rate policy, *may have slowed down the adaptation of other parts of* French industry.

France has a few large companies which are leaders in their markets, like Thomson-CSF in electronic equipment, but lacks the great army of medium-sized enterprises which account for such a large proportion of German exports, especially in engineering.

To some extent these weaknesses stem from past Government attempts at "industrial strategy." In France there was a tendency, especially under General de Gaulle, to put national prestige and independence ahead of industrial efficiency. The UK has made the mistake of nationalising certain declining industries and companies — a step which almost always inhibits redeployment and modernisation. Both countries went through a period of over-valuing size of company as the key to success in world markets. Both countries have been too ready to prop up sectors or companies in trouble.

The new industrial policy *which* M. Stoffaes prescribes to cope with today's problems is very much in line with the measures now being taken by M. Raymond Barre, the French Prime Minister. It starts from the recognition that the only people capable of bringing about the modernisation and adaptation of industry and entrepreneurs and managers. The Government's main role is to create the conditions in which companies can make profits; managers are encouraged to take risks and seize market opportunities. The dismantling of price controls is one necessary step which M. Barre has already taken. M. Stoffaes also insists that companies must be free to reduce their labour force to improve efficiency. Competitiveness is the responsibility of the enterprise, he argues; dealing with the consequences of transitional unemployment is a collective responsibility.

M. Stoffaes's criticisms of past interventionist policies by the French Government deserve to be closely studied in the UK, where the virtues of the French model have often been exaggerated. The Government should intervene as little as possible, the author says, and, when it does, the aim should be to make market forces work better. Nevertheless, M. Stoffaes believes that the Government cannot remove itself completely from the scene, at least at the present stage of French development.

The private sector in France is much weaker and less dynamic than its counterparts in the U.S. and Germany. Some assistance is needed from the Government, he thinks, both in the conversion of declining industries and in promoting the fast-growing sectors. In commercial vehicles, for instance, he believes the Government is justified in supporting the Saviem-Berliet merger under the Renault umbrella and in helping them win back markets lost to the Germans and Italians. (It is not clear what happens if the attempt fails; will the French Government accept the verdict of the market and allow the bulk of the market to be supplied by imports?)

The great value of this book is that it sets out very clearly the nature of the competitive challenge facing the older industrial countries and outlines a coherent strategy to meet it.

For such a strategy to succeed, there must be a consensus in favour of change. The political lobbies which stand in its way, whether they are farmers and small shopkeepers in France or trade unions in the UK, must be overcome. The resistance which M. Barre's policies are now encountering in France suggests that the consensus is not fully established there. In the UK, despite all the talk about "industrial strategy," the objectives of industrial policy remain confused and incoherent.

Raymond Barre, the French Prime Minister, whose industrial policy mirrors the measures favoured by the author

Overthrowing the gods of management

BY RICHARD COWPER

Gods of Management by Charles Handy. Souvenir Press, London. £5.50

WE MAY not be aware of it but we are living at a time when the gods of management are engaged in a great battle, the outcome of which could well decide the future economic, "spiritual" and organisational success of our nation.

Which god do we knowingly or unknowingly serve? Perhaps it is Zeus, the dynamic entrepreneur so beloved of journalists, who with a style so essential to the start up of a new business, rules his empire on snap decisions based largely on personal contact and influence.

Or do we owe our allegiance to Apollo, the god of order and bureaucracy, who governs large unwieldy organisations where function, power and work-flows are held together hierarchically by a strictly defined set of rules?

Task groups

Or perhaps we follow Athena, the goddess of craftsmen and pioneering captains? She rules a world of task groups which recognises only expertise as the basis of power and influence, a realm where youth and creativity are at a premium and where age, nepotism and length of service hold no sway.

Possibly we serve none of these gods, all of whom expect the individual to remain, to a greater or lesser extent, subordinate to the organisation. Perhaps we are followers of Dionysus—individuals with a *powerful desire to be masters of* our own destiny. In this culture the organisation exists to help the individual achieve *his* purpose and is the one preferred by artists, and professionals like barristers, professors and consultants—men who owe little if any allegiance to a boss.

Such are the symbols of the four management and organisational cults that Professor Charles Handy, in his latest book, *Gods of Management*, conjures up as models for analysing the evolution and future direction of the institutional workplace.

It is not surprising, he says, that, in a developed nation like Britain, Apollo is under attack on all sides from the newly emerging forces of Dionysus and Athena. The god of order seems incapable of gracefully yielding his place to the demands released by the ending of the economics of scarcity and encouraged by an educational system which has increasingly emphasised individualism and a group problem-solving approach in preference to the old hierarchical and authoritarian relationships.

The disciplining forces of economic efficiency measured in the market place, he believes, *are now proving to be distorting and increasingly ineffective.* The breakdown of the Apollonian approach manifests itself in what he calls the twin diseases of "organisational hijack" (strikes, absenteeism, sit-ins, etc.) and "organisational slack" (over-employment, spare capacity, subsidies for lame-ducks, shoddy workmanship, refusal to employ new technology, etc.). Our organisations, he says, are not only failing to satisfy the new "democratic and spiritual" needs of our society, but they are not even managing to maintain the old objectives of economic efficiency.

The short term answer to making our current institutions more effective and efficient is to change the cultural mix: more Athena, less Apollo, with a little extra scope for Dionysus and Zeus. Eliminate where possible excessive reliance on the micro-division of labour (batch production), replacing it with a more Athenian team-oriented approach—as Volvo has tried to do at its Kalmar assembly plant. At the same time introduce a large dose of industrial democracy on to the shop floor as Bullock suggested in his report last year. In such ways it is *temporarily* possible, says Professor Handy, to revive our flagging institutions.

Professor Handy argues that in the long term a radically new approach is needed to blend efficiency with individualism. This will effectively involve *a massive redesign of the structure of our organisations.*

This reorganisation will be pushed on its way and made possible by three forces, which already exist in our present society: the "search for community," the "economics of quality," and the technological revolution, particularly in communications.

The Search for Community will result in a dispersed organisation operating with units of possibly no more than 500 people. The organisational village with its capacity to satisfy Athenians and Dionysians will replace the mammoth Greek temples of Apollo. To those who argue that modern nations depend on all the economies of scale found in large organisations, Professor Handy argues that the answer is to link these devolved units on a federal basis, with the centre retaining co-ordinating powers, ultimately dependent however on the consent of its branches.

Redundant

The Economics of Quality, rather than quantity, works on the premise that scarcity is a solved problem, and that the aim is to put back what Schumacher calls "the sacredness into life." This involves, for example, making things which last and taking into account the question of non-renewable resources. Economic indicators will no longer be measured in purely monetary terms; the Japanese, for example, have already worked out a new index of Net National Welfare to replace GNP.

The Revolution in Technology and the widespread dispersal of *the mini-computer will make it* both unnecessary and expensive to have people in one building in order to co-ordinate them. The great office block and the huge factory will become technologically as well as spiritually redundant. Travel will become increasingly unnecessary and people will either work at home or in the village unit.

Professor Handy's vision does not exclude the need for growth, efficiency and competition. But these words, he argues, will acquire new definitions. The economics of quality will allow people to choose from a variety of growth opportunities: some may opt for more private time, some for achieving a more useful or beautiful product, and others for the best financial reward. The smaller units will compete with each other, and efficiency will result from a more satisfied workforce, an immensely sophisticated technology and good "federal co-ordination."

Professor Handy—a self-confessed missionary—has written one of the more stimulating books on management. As a man with a lifetime's experience in many of the organisations he talks about, and as visiting Professor of Management Development at the London Graduate School of Business, his ideas cannot be simply dismissed as the wishful thinking of a devotee of Dionysus—a god whom the Greeks regarded as representing the irrational element in man.

A haven sent opportunity

BY DAVID FREUD

Using Tax Havens Successfully by Edouard Chambost. Institute for International Research, hardback £13.50, softback £9.95.

BOOKS ON taxation generally require considerable dedication and fortitude of mind from their readers. Therefore it comes as something of a shock to pick up a volume dealing with the weighty matter of tax havens to find it both easily comprehensible and packed with hard information. Using Tax Havens Successfully is also wickedly amusing.

Written by a Parisian lawyer, Tax Havens was originally published in France last year. Fresh material on specifically British aspects has been added to the English version by Mr. Thomas Crawley, a partner with a firm of London solicitors.

The book outlines the reasons why tax havens have developed and then breaks them down into various categories. There is no such thing as an ideal haven and many aspects have to be taken into account in making a choice—apart from purely fiscal ones.

Expeditions

The three main categories—for individuals, trading companies and holding companies—include all the well-known havens, and some that few people will ever have heard about. The Norwegian dependency of Svarlbard in the Arctic Circle has very low taxation, for instance, although M. Chambost recommends it only for those who enjoy polar expeditions.

Before an individual can take advantage of the facilities of a haven, however, he must first thread a path through the legislation high-tax countries employ to prevent him doing so. However, an element of double-think is evident in the high-tax countries; this makes it likely that havens will be with us for many years to come.

While a high-tax country does not want to lose its own residents' taxes, most of them are quite keen to use havens to poach other countries' residents.

This means that many havens *have* a protecting power—a great advantage in attracting business as it implies political and economic stability. Thus France has a tax haven for all individuals except Frenchmen at Monaco, Italy has Campione d'Italia, Red China uses Hong Kong, the United States Liberia and Panama, and so on. The British are leaders in the field with the Channel Islands, Isle of Man and Cayman Islands.

So the first rule for individuals and companies seeking to minimise their tax burden through the use of havens is to avoid like the plague dependencies of a high-tax country which has jurisdiction over the beneficiary. An English trading company *should* use Liechtenstein (*protected by Switzerland*) rather than Jersey, for instance, while a Swiss trading company would do well to avoid the blandishments of Liechtenstein and plump for Jersey.

Svalbard is not the only dubious tax haven and M. Chambost is at his most pithy and valuable when he gives a quick rundown on those "which the tax traveller may do well to avoid."

Desperate

Antigua is summarised as "Dreams and musical comedy wars;" Pitcairn Island: "Really the end of the world;" Jamaica: "Unsafe politically;" and San Pierre et Miquelon; "Eat with the penguins." Finally the very desperate might consider searching for the wandering San Serriffe, although if they do track it down it might turn out to be a fools' paradise, in April.

Leaders and managers

Leadership Dynamics, A Practical Guide to Effective Relationships, by Edwin P. Hollander. Colier Macmillan. £9.75. This is described as a book for leaders or would-be leaders who want to learn more about the practicalities of the leader: follower relationship and the concepts of effective leadership. In contrast to the popular image of leadership—that is, suggesting action and power—the author stresses what he considers to be a more dynamic view, which is that leadership is a "two-way influence process." This involves a social exchange relationship between a leader and followers, with some sharing the leadership function to obtain mutual goals.

Managing the Managers Growth, by Valerie Stewart, and Andrew Stewart. Gower Press, £8.75. This aims to provide a guide to the skills and knowledge which management trainers and others need in order to arrange management training and development. There are chapters on internal and external courses, coaching programmes, projects and assignments.

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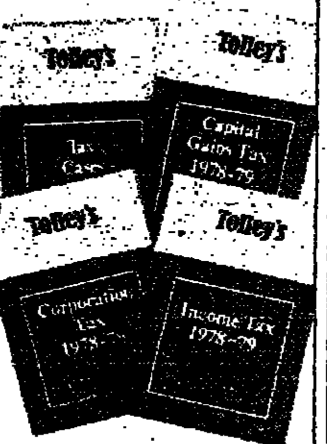

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BUSINESS BOOKS

How Vickers lived with intervention

BY NICHOLAS OWEN

Vickers: Against the Odds 1956-1977. by Sir Harold Evans. Hodder and Stoughton, £7.95.

IN THE past 20 years or so, the Vickers group has undergone tremendous upheavals. Once dubbed the "blacksmith and armourer to the nation," the company, along with other proud names from Britain's industrial heritage, has faced the intense problems of adjusting engineering tradition and expertise to increasingly harsh economic conditions. Vickers has also seen three of its "pillars"—shipbuilding, aircraft construction and steel-making—disappear into State control.

Government "interference," as past generations of sturdy Vickers' managers would no doubt call it, has of course become part and parcel of life for large private sector concerns. What is perhaps more interesting in Vickers' case is that it had to endure two doses of intervention from other parts of the private enterprise.

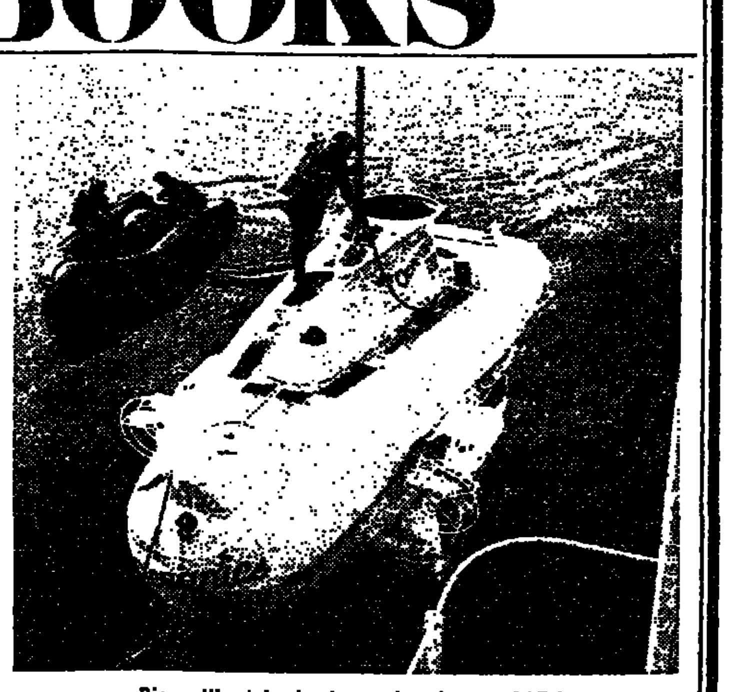
One was from the ranks of the investing institutions. In 1969 and 1970, a group comprising two assurances companies, an investment trust and a merchant bank was sufficiently concerned about a Vickers in poor shape, both managerially and in trading terms, to mount the first major example of determined institutional involvement in a major company's affairs. As Sir Harold Evans recalls in his detailed history of the hard years since 1956, a couple of key executives at head office concerned with planning procedures produced a long memorandum critical of the way Vickers was run, arguing particularly that the function of chairman and chief executive be split.

The man who held both posts was the unfortunate Sir Leslie Rowan. Sir Harold says that the chairman was less upset by the memorandum's arguments than by "its tone and attitude of hostility." The rest of the Board shared his view and the brave co-authors departed from Vickers. But the City had been roused to action. There was a feeling there that Vickers' Boardroom needed more "sons of bitches," and the besieged feeling in Millbank Tower increased perceptibly when the Labour Government's Industrial Reorganisation Corporation became involved in the often painful negotiations.

In the end, a new 47-year-old chief executive in the person of Peter Matthews (later knighted) was found. Lord Robens succeeded Sir Leslie Rowan, who retired two years early and died ten months later. The City has got its way. To some extent, the power exercised then has been little in evidence since, to the chagrin of those in the City who would like to have kept Government intervention in industry in check by doing more of the job themselves.

The other intervention from outside was in the "checky" class, and this book makes it clear that respectable old Vickers had its tail well and truly tweaked for a while. Mr. David Rowland, a young financier, steadily built up a 24 per cent stake in the company before pulling out with a loss of £3m. Mr. Rowland used to frustrate journalists by his chronic unavailability to talk about his various schemes. Vickers had the same problem, as no-one at the top seems to have had the courtesy of a face-to-face meeting with this particular standard bearer of capitalism who was briefly the company's biggest shareholder.

So life has never been dull for Vickers. It has got out, or been bought out, of many of its old staple businesses, and it moves these days in a world dominated by offshore engineering, office equipment and printing plates. High profits remain difficult to find. Sir Harold was an insider for 10 years, so his book tends towards a respectful record: but it is instructive about how the old soldiers who seemed to dominate the Boardroom when his story starts have given way to younger men who sport accounting and engineering qualifications rather than battle honours.



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BY PETER RIDDELL

Business and Businessmen, Studies in Business, Economic, and Accounting History. Edited by Sheila Marriner. Liverpool University Press, £11.50.

"A HIGHLY-PAID chairman is a luxury which should be reserved for the return of a good shareholder's dividend," wrote the future Lord Salisbury, the late 19th-century Prime Minister, when discussing the offer of the chairmanship of the Great Eastern Railway in 1867. These are noble sentiments by current standards and not the least of the contrasts between the involvement of out of office politicians in financially troubled companies then and now.

Lord Salisbury's chairmanship of the Great Eastern in 1868-72 is the theme of one of the most diverting essays in this new collection of studies in business, economic and accounting history. Professor T. C. Barker shows in his article that the boardroom battles of the 1960s and 1970s are a mere shadow of those of a century earlier when the railways were reaching their maturity and competition between the companies was fierce.

Lord Salisbury became chairman at a time when the Great Eastern had run into serious financial trouble, and indeed an Official Receiver had been appointed. The cause was an over-expansion of the branch network and the planned removal of the city terminus from Shoreditch to Liverpool Street. Consequently the search began for a chairman who would restore confidence, and Mr. (later Sir) Edward Watkin, a shrewd, though somewhat slippery businessman with many railway interests, approached Salisbury to take over.

The new chairman proved to be far from a figurehead and involved himself closely in the detailed operations, such as the introduction of new excursion tickets to the seaside and the use of rolling stock, as well as more basic questions like the need for regulation of the competition by Parliament. In any event, the financial position of the company improved and the Official Receiver was discharged.

Salisbury then wanted to withdraw and favoured Watkin as his successor. But this was opposed by most of the rest of the board because of the struggle over the supply of coal to London between Watkin's Manchester, Sheffield and Lincolnshire Railway and its rivals, the Great Northern and the Midland. However, Watkin did not fade out of Salisbury's life completely. In 1887, he wrote to Salisbury, then Prime Minister, "Rumour—not always right—says that, in the Jubilee Year, industry is to have one or more representatives in the House of Lords. If so, I trust that my claims as an employer in the execution of great work for a period of 45 years . . . may at all events be graciously considered." The request went unheeded: how very different from more recent honours' lists.

Professor Barker's new light on the previously unappreciated business background of Salisbury is only one of a number of discussions of the careers of businessmen in the collection, also including shipping entrepreneurs such as Lord Kylsant and Alfred Jones. But there is no particular theme to the collection which ranges over the experience of Britain, France and Japan between the early 18th century and now. There are, for example, essays on the problems of adapting British steel technologies to French conditions, the development of the marine insurance industry of Merseyside in the 19th century, in particular the investment policies of the Union Marine Insurance Company, and a study of the use of accounting records for business history based on Distillers.

The analysis of the Distillers' accounts between 1818 and 1944 makes ironic reading in the light of the recent controversies over accounting standards. The essay shows that while Distillers was operating entirely within the bounds of accepted accounting practice at the time, its accounts over the period gave inadequate explanations of movements in reported data.

These problems are not necessarily insuperable but they do indicate some of the difficulties faced by business historians. The collection as a whole does, however, underline the widening of insights into social and economic history generally provided by the flowering of business history over the last decade.

BOOKS OF THE MONTH

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When profit is a dirty word

BY BARRY RILEY

Added Value—The Key to Prosperity, by E. G. Wood. Business Books, £7.95.

"PROFIT," says Geoffrey Wood, "has become a divisive objective." So out it must go, and in its place comes value added, a new concept for the modern industrial environment. Well, perhaps not entirely *new*—it dates from one Tenche Cox, a U.S. Treasury official who had the bright idea back in 1790—but its impact has only been felt very recently. Apart from its use in gathering indirect taxes, value added only began to make a sizeable impression outside obscure management journals when it figured in the Accounting Standards Committee's *Corporate Report* in 1975.

Rise and rise

There are two ways of looking at the rise and rise of value added. One is that the increasing adoption of this analytical measure is the inevitable and desirable result of the shifting power balance within industry. Employees are taking a much greater role in the running of businesses, and they need accounting systems which are not devised purely with the providers of capital in mind. No longer can labour simply be treated as a market commodity to be hired or fired. By talking in terms of value added the division of newly created wealth between labour and capital can be constructively discussed.

The other more cynical view—which finds no place in Mr. Wood's enthusiastic book—is that value added has been seized upon by public relations men as a way of glossing over the problem of profits. Hence those gaudily coloured cakes in employee reports with huge slices of value added carved out for the workers while the shareholders have to make do with a slender segment.

"Unlike profit, which has emotional connotations," writes the author, "added value can be seen by employees as a worthwhile objective." But in abandoning emotional profits, Mr. Wood is also throwing overboard a substantial body of economic theory about profit maximisation and the efficiency of firms.

His attempt to set up a rival theory is unconvincing. He starts by saying that the crucial test for new investment is that it should maximise value added per employee: he quickly realises that this would logically lead to massive unemployment, but can only conclude lamely by saying this raises "wider issues."

Perhaps the crucial aspect of the argument is that added value is claimed to offer a more satisfactory basis for wage and salary determination. It appears from official statistics that the proportion of value added taken up by wages has been remarkably stable in British industry for at least the past 20 years. Mr. Wood suggests this could be the basis for some sort of incomes policy. But he does not explain why the unions should be satisfied with any particular ratio of wages to added value.

Financial roundup for businessmen

Financial Ratios—Analysis and Prediction, by M. Tamari. Paul Elek, £9.95.

Corporate Models Today, a new tool for financial management, by Peter H. Grinyer and Jeff Wooller. Institute of Chartered Accountants in England and Wales, £6.95.

Financial Management Made Simple, by Wilfred Hingley and Frank Osborn. W. H. Allen and Co., £1.95.

Finance for the Purchasing Executive, by L. E. Rockley. Business Books, £8.95.

Business Finance, by F. W. Paish and R. J. Briston. Pitman Publishing, £4.95.

The Principles of Practical Cost-Benefit Analysis, by Robert Sugden and Alan Williams. Oxford University Press, £9 hardback and £4.50 soft cover.

Contemporary Cash Management, by Paul J. Beehler. John Wiley and Sons, New York.

FINANCIAL books have been thick on the ground recently and this sample is representative of the range of topics that have been covered. In *Financial Ratios*, Dr. Tamari aims to illustrate how financial data can be used more effectively when appropriate ratios are applied and analysed. He suggests that financial ratio analysis is a successful way of understanding what lies behind the figures in a balance sheet and of keeping abreast of developments in a company.

Corporate Models is a second edition and it provides a guide to the different types of corporate model available.

The third book, *Financial Management Made Simple*, is essentially a textbook designed to meet the requirements of students on degree and Higher National courses.

Finance for the Purchasing Executive also has a specific audience in mind. Arguing that the responsibilities and tasks of the purchasing executive have increased in importance, the book suggests that the "complete purchasing man" must have three objectives—he must "handle materials management effectively," "research sources of supply," "evaluate and negotiate realistic supply prices," and "assess the solvency of potential suppliers."

Business Finance is the fifth edition of a standard textbook, but it has been substantially revised and re-written to reflect the main changes that have occurred in this area over the past ten years.

The aim of *Principles of Practical Cost-Benefit Analysis* is to introduce the subject to non-economists as well as economists. Beginning with a discussion of financial appraisal, the authors then go on to distinguish the particular features of their subject.

Contemporary Cash Management sets out to provide a comprehensive guide, and topics include: definition of managing bank relations; identification, definition and application of various forecasting techniques; definition of the similarities and dissimilarities in applying cash management techniques in an international market place.

Economy and computers

The UK Economy—a Manual of Applied Economics, Seventh Edition, edited by A. R. Priest and D. J. Coppock. Weidenfeld and Nicolson, £4.95. Revised and updated to April, this book's aim remains twofold: to provide a systematic portrayal of the main features of the UK economy and to form a basis for a course of study in applied economics.

A Guide to the Successful Management of Computer Projects, by Hamish Donaldson. Associated Business Press, £10.95. This book's purpose is to equip the data processing manager or line manager for the task of implementing from scratch a computer project.

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Ideally, candidates will have gained high seniority in a British overseas bank and have extensive knowledge and experience of banking in developing countries.

The position could be of benefit equally to a senior banker currently engaged in, or newly retired from, such an operation.

Applications with relevant supporting data should be forwarded with minimum delay to Mr. C. A. Cotton, MLH Consultants Limited, Park House, 22-26 Great Smith Street, London SW1P 3BU.

MLH Consulting Group of Companies

New Business Managers

Commercial Mortgages

London/West Country c£10,000

Highly respected City institution with considerable financial resources seeks to strengthen its expanding commercial mortgage business by the appointment of two New Business Managers, responsible for territories in the home counties and west of England respectively. Remuneration package, negotiable around £10,000 a year, includes company car and cheap mortgage.

Candidates, probably aged 27-45, will have gained experience in a bank or other financial institution or hire purchase company. Sales ability, judgement and an understanding of interest rates are more important than professional qualifications, although AIB would be useful. Prospects are excellent in a group of the highest calibre.

For a fuller job description, write to John Courtis & Partners Ltd., Selection Consultants, 78 Wigmore Street, London W1H 9DQ, demonstrating your relevance briefly but explicitly, indicating preferred territory, and quoting reference 2052. This is an equal opportunity appointment. Replies will be treated in strict confidence.

JC&P

Gilt Salesman

Wood, Mackenzie & Co. are in the process of establishing a team to provide their institutional clients with a comprehensive gilt-edged service to complement their established equity and computer services.

The team already has economic, computer, marketing and dealing capability, but requires an experienced salesman to complete the first phase of development. This position represents an opportunity to be involved at the start of a major development within the firm.

We invite applications from candidates (male or female) with a record of achievement within an established gilt-edged department.

A fully competitive salary will be offered plus profit-related bonus and additional benefits.

Please apply in confidence to: T. Grimes, B.Sc., F.I.A., Wood, Mackenzie & Co., 62/63 Threadneedle Street, London EC2R 8HP. Tel: 01-600 3600.

WM

WOOD, MACKENZIE & CO.

MEMBERS OF THE STOCK EXCHANGE

TOP EXECUTIVES—FORTY PLUS

If you are faced with a career change or in the middle of a frustrating job search, find out about the FORTY-PLUS COUNSELLING SYSTEM. It is cost effective because it helps you to get the right job faster.

FORTY-PLUS CAREER DEVELOPMENT CENTRE, 81-87 High Holborn, London, WC1V 6LS. Tel: 01-242 4875/6

Yorkshire Bank Leasing

LEASING ACCOUNTANT

Leeds

Yorkshire Bank Leasing Ltd., a wholly owned subsidiary of Yorkshire Bank Ltd. was established in 1975 and is one of the top twenty leasing companies in the U.K.

We seek a qualified accountant, to be based at our Leeds Head Office, age 35-45, to implement and supervise the lease accounting function. He or she will have experience of finance lease accounting and administration, be conversant with computerised accounting systems and be capable of training and supervising staff.

The successful applicant in this new appointment will also be ultimately responsible for the accounting function of Yorkshire Bank Finance Ltd.

This is a Yorkshire Bank appointment and the attractive personnel package includes House Purchase Scheme, non-contributory pension and profit sharing bonus. Salary negotiable according to experience.

Applications including detailed career and salary history should be sent to:—

Mr. N. A. Sternbach, Manager, Personnel Selection, Yorkshire Bank Leasing, 6 Queen Street, Leeds. LS1 1HG

GROUP INTERNAL AUDITOR

Thomas Tilling requires a Group Internal Auditor based at the Group headquarters in the West End of London. This important appointment, reporting to the Group Financial Director, involves responsibility for co-ordinating and developing the Internal Audit function in this large and widely diversified international group of companies.

Candidates, aged 35 to 50, must have several years experience of high level responsibility for audit management. An appropriate five figure salary will be negotiated plus company car, pension and other benefits.

Please apply in confidence to F. R. Black, Financial Director, Thomas Tilling Limited, Crewe House, Curzon Street, London W1Y 8AX. (Telephone: 01-499 4151).

Manager International Advertising and Marketing Communications

London based

A leading Multi-National Corporation seeks an outstanding manager to co-ordinate across Europe, international advertising and communication programmes, primary marketing publicity and internal publicity programmes of the highest quality. Up to 20% of time will be spent abroad, primarily in Europe and the U.S.A.

The successful candidate will probably have a degree and at least five years in a similar role with a leading multi-national corporation. Fluency in French or German would be an advantage.

This demanding appointment is unlikely to be matched by candidates earning less than £12,000. Company car, BUPA, pension fund, and other benefits form part of the package.

Candidates should apply to Eric Bell, telephone 01-629 9781.

G-B Management Services

Management Consultants

170 PICCADILLY, LONDON W.1

Taxation Accountant

London S.W.1. Up to £10,000

Major public engineering Group with an annual turnover exceeding £700 Million seeks a taxation accountant to report to the Group Taxation Accountant.

The work involved, which excludes personal tax, consists principally of responsibility for the preparation, submission and negotiation of tax computations for two fair-sized groups of engineering companies and one smaller one, all in the UK but with overseas income. There is also the requirement to prepare tax provisions for the annual accounts and to advise the companies concerned on the tax implications of proposed transactions. Some travel will be involved but this is unlikely to be excessive.

Candidates must be over 25 and qualified accountants, preferably chartered. They should have two to three years' post-qualifying recent experience of company taxation gained either in industry or from a tax department in the profession. Commencing salary will be up to £10,000 per annum according to age and experience and there are excellent prospects of advancement.

For a fuller job description write to A.R.D. MacDonell at John Courtis & Partners Ltd., Selection Consultants, 78 Wigmore Street, London W1H 9DQ, demonstrating briefly but explicitly your relevance and quoting reference 556/FT. This is an equal opportunity appointment.

JC&P

Tax Assessors

Hong Kong Up to £11,300 p.a.*

- 25% gratuity on salary
- Low tax area
- Free medical treatment
- Free passages
- Generous terminal leave
- Subsidised accommodation
- Education allowance
- Holiday visits for children

Applications are invited for appointment as Assessors in the Inland Revenue Department of the Hong Kong Government. Successful candidates will be responsible for the assessment of taxes imposed by the Inland Revenue Ordinance, the Stamp Ordinance and the Estate Duty Ordinance of Hong Kong.

Applicants should preferably be under 35 years of age and must:- (1) be Associate Members of the Institute of Chartered Accountants or Association of Certified Accountants or other similar institutions, plus at least one year's post-qualification experience in taxation law and practice; OR (2) have an Economics or other Honours degree, with Accountancy as one of the subjects studied, from a British University or equivalent, plus 3 years' appropriate post-graduate experience in an appointment in which the major part of the duties requires a thorough knowledge of taxation; OR (3) have successfully passed the final departmental examination of Her Majesty's Inspectors of Taxes; OR (4) have appreciable experience as an Assessor or in a similar rank in the tax administration of other territories.

The appointment will be for an initial period of 2½ years. The salary scale for the post is from HK$5,325 to HK$8,045 per month (approximately from £6,730 to £11,300 p.a.*). Starting salary will depend on experience.

For further information and an application form, write to the Hong Kong Government Office, 6 Grafton Street, London, W1X 3LB, quoting reference IRD/ASS at the top of your letter. Closing date for return of applications: 15 November 1978.

Based on exchange rate HK$9.50 = £1.00. This rate is subject to fluctuation.

Hong Kong Government

EUROPEAN FINANCIAL SERVICES

Age 23-27

Paris c. £12,000

Our client, a European Group manufacturing and marketing an extensive range of optical products and sophisticated instruments, is part of a major U.S. Corporation.

The function based near Paris, conducts operational and financial reviews throughout Europe, is responsible for advising on the development of accounting and reporting systems and, conducts various investigations.

The company wishes to develop this new department by appointing an additional accountant with around one year's p.q.e. Candidates should have experience of advanced accounting procedures and of large group operations. They should also have the flexibility to travel extensively throughout Europe.

Success in this appointment will lead to line opportunities in Europe or the U.S. For further information and a personal history form, contact Ian Tomisson or Peter Dawson, quoting reference 2263.

Commercial/Industrial Division

Douglas Llambias Associates Ltd.

Accountancy & Management Recruitment Consultants,
410 Strand, London WC2R 0NS. Tel: 01-836 9501
121 St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

Banking Recruitment

Credit Analyst £7500 neg

Expanding City based Consortium Bank with excellent growth record is currently seeking an experienced analyst, ideally aged 24–30. Reference 1556

Loans Administrator £6000

International Merchant Bank, specializing in Syndicated lending, requires, due to rapid expansion, an experienced administrator seeking a progressive career. Reference 1517

For these and other positions contact Yvonne Emmerson-Fish

Lloyd Chapman Associates

123, New Bond Street London W1Y 0HR 01-499 7761

INTERNATIONAL BANKING

EUROPEAN INTERNAL AUDIT c. £8,000

This is a 1st. class opportunity for a young banker who essentially has sound experience of international bank operations, preferably is an A.I.B. and, ideally, has some command of a European language. Excellent career prospects within this major U.S. bank extend well beyond the audit function.

MANAGEMENT ACCOUNTING/REPORTING to £5,500

Extremely active Consortium bank seeks someone with extensive international bank accounts' experience to assist with a variety of operational accounting regulatory reporting and management information/analysis functions.

FOREIGN EXCHANGE "BACK UP" £3,500-£4,000

We are being pressed by a number of International banks—large and small—for bright youngsters with some decent experience of Instructions, Settlements, Nostro Acc'ts., etc. The prospects are clearly there for the right people. To discuss these possibilities—or you own particular career objectives in general terms—please telephone either John Chiverton, A.I.B., or Trevor Williams.

JOHN CHIVERTON ASSOCIATES LTD.

31, Southampton Row, London, W.C.1. 01-242-5841

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

MARKETING MANAGEMENT

INTERNATIONAL ARAB BANK £10-15,000

We invite applications from senior Marketing Bankers for two key appointments within the London-based European Headquarters of a leading Arab bank. The task of the successful candidates will be to plan, implement and develop the bank's marketing strategy in Europe.

The people we seek are likely to be currently working at Area Executive or Assistant Vice-President level, having gained several years experience in the business development of wholesale banking services to corporate, financial and government institutions in the Gulf area. This knowledge may have been gained from a London bank's Middle-Eastern desk, though experience of travelling and working in the area would, obviously, be ideal. Full credit training is essential, as is a good university background; preferred age range is 30-40. The successful candidates will be those who, in the bank's view, possess the maturity and stature to interface at the highest level, coupled with self-motivation and an imaginative, pioneering mentality.

In addition to a basic salary in the range quoted, the bank offers a generous range of benefits including preferential mortgage scheme, non-contributory pension, season ticket loan, medical insurance and accident insurance worldwide. Other competitive benefits will also be available.

To discuss these appointments in the first instance, in strict confidence, please telephone:

KENNETH ANDERSON (Director) or ROY WEBB

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

SPOT $ OPERATOR

REQUIRED BY

Woellwarth & Co. Ltd.

A key staff appointment for a young Accountant

INSURANCE: E.C.3

Executive

We are acting for a subsidiary of one of the best known Public Company Insurance Groups. This subsidiary manages both the international interests of Insurance Companies owned by the parent organisation and an increasing number of London Market and Overseas Underwriting activities of other Insurers.

The main thrust of this appointment will be co-ordinating and monitoring underwriting activities and providing a wide range of mainly financial advice on existing and proposed operations.

Whilst previous experience of Insurance will be preferred, we shall also be interested in hearing from any qualified Accountant who is looking for a non-routine and influential position in one of the fastest developing areas of the financial sector.

Salary will be negotiable, upwards of £8,000 p.a.

For further information please contact Mr. D. R. Whately who himself has an Insurance background. His private telephone number is 01-623 9227. Ref. 443.

WHATELY PETRE LIMITED. Executive Selection,
6 Martin Lane, London EC4R 0DL.

WPL

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ap accountancy personnel

ACCOUNTANT/SECRETARY
West London £7,500 + car

Full control of internal accounts and secretarial functions with this progressive medium sized firm of C.A.'s. The position offers general management experience and partnership prospects.

PUBLISHING FINANCE
C. London £7,500

A commercially aware, self-motivated qualified accountant (26-32) will achieve a high level of career satisfaction with diverse multi-national, concentrating on Management accounting, corporate planning and international exchange control.

ACA IN INDUSTRY
Hounslow to £7,500

Acquisition orientated high technology group seeks young accountant from the profession wishing to expand interest in advanced computer based systems and accounting to strict deadlines.

WHAT'S BREWING?
C. London £7,000

Major brewers seek 3 young qualified accountants to cover multitude of exciting new projects, systems controls and accounting standards, enjoying high level reporting . . . and yes, free beer!

Please telephone or write immediately to: Accountancy Personnel Senior Appointments, 41-42 London Wall, EC2M 5TB. Tel: 01-588 5105.

Sales Manager
Seed, Oil & Cake Trading

The above Division of BOCM Silcock is engaged in seed crushing – selling crude oil and straight cakes – and in technical refining of vegetable oils for sale in the UK and export markets.

We are now looking for a Sales Manager to service and develop an already substantial business and to seek out new business opportunities. Your base will be in Basingstoke and you will have a key role within an established team of traders. You should have experience in commodity trading and preferably in vegetable oils and feedingstuffs.

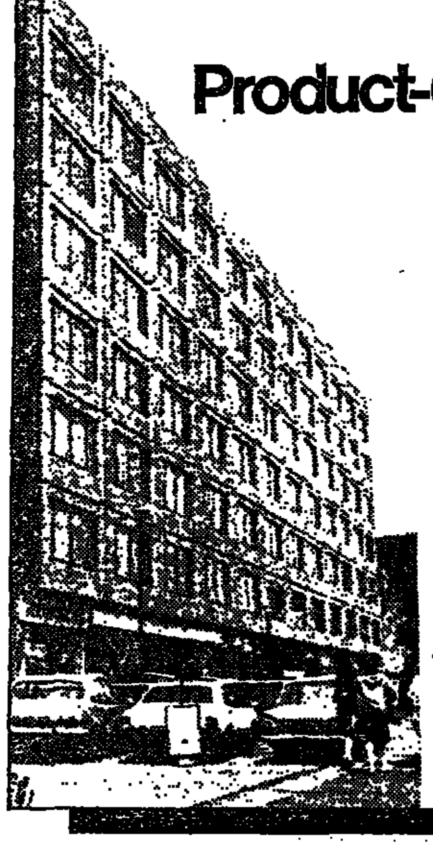
The salary will be competitive and you will enjoy attractive Unilever fringe benefits including car, BUPA, sickness and benefit scheme, and pension.

Prospective applicants, male or female, who would like more details, without commitment, should speak to Alan Coates, or Sandy Henderson, Seed, Oil & Cake Division General Manager, on Basingstoke 29211.

Otherwise please send brief but comprehensive career and personal details – including salary – to:–

BOCM SILCOCK

Alan Coates,
Staff Personnel Manager,
BOCM Silcock Ltd.,
Basing View,
Basingstoke,
Hants.



Key appointment as part of a team marketing disc drives, tape drives, add-on memories, etc. throughout Europe & Middle East.

Product-Operations Support Manager – Computer Peripherals

Base salary £10,000 – £12,000 + car

We invite applications from candidates, aged 25-33, who have at least 3 years' direct sales/sales support/marketing experience, either with a main-frame or computer peripheral manufacturer.

This experience will have given candidates a thorough knowledge and understanding of the markets for products such as disc drives, tape drives, add-on memories etc., as well as a sufficient technical grounding in computer technology.

Working as part of a business team for a range of product lines, the prime responsibility of the selected candidate will be to act as the European Head Office co-ordinating links between the Company's marketing and distribution efforts in Europe and supply operations from the parent company in the States.

This co-ordination and marketing support function will include all aspects of market analysis and pricing, with particular reference to competitive products; product availability; product profitability; new product introduction; including presentations to clients; forecasting; sales strategy and training.

Salaries are negotiable, but likely to be in the range £10,000-£12,000; a company car is provided as part of a generous benefits package.

Please send full career details in confidence to A. Cummings, Director of Industrial Relations, Memorex Europe Ltd, Hounslow House, 730 London Road, Hounslow, Middlesex TW3 1PH.

MEMOREX

Young Controller

Central London to £7,500 + car

A company marketing microprocessors in the United Kingdom has enjoyed a rapid increase in turnover and profits in keeping with the industry's recent outstanding growth.

It now seeks a young qualified accountant to whom it can offer a wide range of experience including all aspects of accounting, financial control and office administration. In addition, as always in a small closely-knit operation, the Controller will be responsible for liaising with customers and developing relationships so as to maximise profitability.

Ideally mid/late 20s, the person appointed should possess previous experience of reporting to tight deadlines in a commercial/industrial environment.

Please reply in confidence giving concise personal and career details quoting Ref. T892/FT to R. G. Billen:

AMS Arthur Young Management Services
Rolls House, 7, Rolls Buildings
Fetter Lane, London EC4A 1NL

FINANCIAL DIRECTOR

South c £15,000 + Car

Our client, an extremely profitable U.K. based multi-national diversified manufacturing group marketing a wide range of brand leaders in consumer products, has a vacancy for a Financial Director.

Ideally, the requirement is for a Chartered Accountant, commercially orientated with progressive senior experience within an international group, almost certainly in fast moving consumer goods. The successful candidate, male or female, will be fully familiar with integrated cost and financial accounting systems, and may well have participated in a Price Commission sectorial or product investigation. The appointment calls for the highest standards of objective, financial control, and could well lead to promotion to general management.

A salary of up to £15,000 is envisaged, plus an executive car, non-contributory pension, and relocation expenses if appropriate.

Write briefly and in confidence in the first instance to:

ERIC JAMESON
PERSONNEL SELECTION
Personnel Selection Limited,
46 Drury Lane, Solihull, West Midlands B91 3BL Telephone: 021-705 7399 or 021-704 2851.

ECONOMICS EDITOR

The BBC is looking for a journalist of high calibre, with authoritative knowledge of economic, financial and business affairs.

The holder of this new post will be the Corporation's senior adviser on coverage and treatment in this field on Radio and Television, from regular news programmes to specialist daily and weekly programming such as "The Financial World Tonight" and "The Money Programme".

The successful candidate will be working with the BBC's Economics Correspondents, and with programme production teams. Based at Broadcasting House.

The job includes:

—making personal contributions to programmes when appropriate

—organising and maintaining a service of information, advice and assessment on which output editors can base coverage decisions

—supervising the work of a growing Financial Unit and its output (including a CEEFAX service)

Substantial experience of writing on economic and financial subjects is essential: so is an appreciation of how this might be translated into effective radio and television. Some broadcasting experience and the potential for a "good presence" on the air are highly desirable.

The starting salary will be not less than £8625.

Please telephone or write immediately, enclosing addressed envelope, for application form quoting ref: 78.G.1697/FT to Appointments Department, BBC, London W1A 1AA. Tel. 01-580 4468 Ext. 4619.

BBC

Group Accountant

Central London around £9000 + car

Our clients, a substantial diverse international group (T/O £120m) engaged in service industries and manufacturing, wish to strengthen their Head Office team by the appointment of a Group Accountant. The successful candidate, supported by a small staff, will be involved in the total financial and treasury functions. The duties include monitoring subsidiary companies' results, cash flow forecasting, budgetary control, management accounting and 'ad hoc' investigations. Applicants must be Chartered Accountants, male/female, in their late 20's who have already gained a minimum of two years industrial experience. REF: 479/FT. Apply to R. P. Carpenter FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London, W1M 7RA. Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

Babcock
Construction Equipment

FINANCIAL DIRECTOR

One of Britain's leading manufacturers of construction equipment, with a turnover in excess of £50 million, is looking for an outstanding Financial Director to join the team to enhance the company's success.

The Financial Director will be deeply involved with the development of the corporate strategy and possible acquisitions, and will be responsible for the supervision and guidance of each of the accounting and secretarial functions at the eleven profit centres at home and abroad.

The job will be located at Rochester, Kent.

The successful applicant is likely to be earning in excess of £12,000, under the age of 45, experienced in batch production and standard costing systems and in auditing small companies, and of a personality working best as a member of a team. Business French and/or German would be an advantage.

Applications in writing to:
E. Goodwin
BABCOCK CONSTRUCTION EQUIPMENT LIMITED
River House, Short's Way, Rochester, Kent ME1 3AP

Financial Controller

West London to £15,000 + car

A well established and highly respected firm of engineering contractors to the oil and gas industries wishes to recruit a Financial Controller.

The person appointed will report to the Managing Director and take full responsibility for accounting and financial control. More particularly the job will provide an opportunity to play a significant role in managing the company through the provision of pertinent management information and involvement with the commercial implications of contract negotiations. Consequently there will be a close working relationship with other members of the management team.

In addition to a recognised qualification we shall be looking essentially for a broad accounting background and good costing experience.

Please reply in confidence giving concise personal and career details quoting Ref. T891/FT to R. G. Billen:

AMS Arthur Young Management Services
Rolls House, 7, Rolls Buildings
Fetter Lane, London EC4A 1NL

Head of Accounting Administration

London Based c £9,000

A challenging career opportunity now exists within a leading multi-national insurance underwriting organisation with total assets exceeding twelve billion dollars. Established in the London market since 1918, the company offers a full range of insurance facilities and currently employs in excess of 200 staff in their London operation.

As part of a major development programme, this new senior appointment, which reports to the Chief Financial Executive (UK), will strengthen the present executive accounting operations. You will take immediate responsibility for the overall running of all aspects of an insurance organisation's accounting department, entailing the control of assets in excess of £80m and the supervision and management of around 20 staff.

You are likely to be between 30-45 and will be professionally qualified with sound experience gained in a similar environment. A knowledge of US accounting and reporting procedures would be an advantage and a flexible and entrepreneurial approach to work is important.

The terms and conditions of employment reflect the importance of the role and those of a multi-national organisation.

Contact: Milton Ives, London (01) 235 7030. Ext. 323. (Answering service out-of-hours (01) 235 6938).

Applications are welcome from both men and women.

PER Professional & Executive Recruitment

CHIEF ACCOUNTANT

BANKING c. £8,500—£11,000 + fringe

Our client is an established Middle East Bank.
It has recently opened its European H.Q. in the West End, which will develop business overseas.

An accountant is required to establish and control the accounting function, and the day-to-day administration of the branch. This needs a thorough knowledge of documentary credits and bills, treasury operations, and placing surplus funds on the money markets.

The position involves working closely with, and reporting to, the Manager. Sound accounting experience in a busy bank, initiative, and the ability to operate effectively in a start-up environment are essential factors. The opportunities are tremendous.

Please apply in confidence to Jack Pine B.A., ref: JP/432

David Clark Associates
4 New Bridge Street, London E.C.4 01 353 1867

PANMURE GORDON & CO.

An intelligent and enthusiastic young person required for a new opening in the firm's Gilt Edged Department. The applicant should be aged between 21 and 26 years, with either Stock Exchange or institutional experience, not necessarily in Gilts. Excellent prospects for advancement and good starting salary commensurate with previous experience:

Applications to K. W. W. Brown, Panmure Gordon and Co., 9 Moorfields Highwalk, London EC2Y 9DS.

FINANCIAL WEEKLY
Ambitious Sales People

Financial Weekly is being launched early in 1979, with an initial print order of 60,000. We believe that it will quickly establish itself as an important advertising medium to the financial community both in London and in the provinces.

Part of the Trafalgar House Group, we have already attracted some of the top names in financial journalism. Our advertisement sales team is almost complete, but we still have openings for experienced, enthusiastic salesmen/saleswomen in several catagories as follows.

Property

Some one who enjoys selling to a wide range of clients and feels at ease discussing schedules with media planners in advertising agencies.

Recruitment

We believe our readership profile will appeal to advertisers who wish to attract senior personnel and we would like to talk to people who know the major recruitment agencies and management consultancies.

Consumer

Someone who enjoys talking to a wide range of clients and feels at ease discussing schedules with advertising agencies.

Salary commission and benefits, which include a company car, are excellent and will be fully discussed at interview.

If you feel you have something to offer us, contact:

Brian Coleman-Smith, Advertisement Director, Fleet Financial Publishing Limited, Westgate House, 9 Holborn, London, EC1N 2NE. 01-405 7254.

Fleet Financial Publishing Limited

FINANCIAL CREDIT ASSESSMENT c. £9000

Our Client, an international Finance House, is looking for an experienced Credit Controller in their Merchant Banking Division. The areas of operation will cover the Eurocurrency market, shipping loans, export finance and leasing. Experience in these operations within the Finance Sector is preferred. Reporting is to a Director, but the level of contribution depends on the strength of the successful applicant.

An active investigatory involvement is necessary, and a sceptical attitude based on sound commercial knowledge will achieve excellent prospects in the Group, either in the U.K. or overseas.

Please apply in strictest confidence to David Clark A.C.A.

David Clark Associates
4 New Bridge Street, London E.C.4 01 353 1867

Divisional Chief Executive
Construction Industry

The Wood Hall Trust Group is seeking to engage a Divisional Chief Executive for its U.K. construction activities.

This division, which enjoys a great degree of autonomy, has a turnover of approximately £40M, principally in the fields of building and private estate development. The division operates through a number of subsidiaries, each with its own management team, of which the most significant are H. Fairweather & Co. Ltd., building contractors, and Davis Estates Limited, private estate developers.

The requirement is for an Executive with considerable experience of the construction industry, capable of promoting profitably the future growth of the existing businesses, and with the ability to broaden the sphere of the divisions activities.

It is unlikely that anyone under the age of 35 will have the experience necessary for this appointment.

Salary and conditions of employment are for negotiation, but will be commensurate with the responsibility envisaged.

Reply, giving personal details and experience to date, to:—

R. A. Stickings, Director,
Wood Hall Trust Limited,
9th Floor, St. Martins House,
140 Tottenham Court Road, London W1P 9LN.

FINANCIAL WRITER/EDITOR

This is a tremendous opportunity for a young financial writer/editor with 1-4 years' experience to increase his/her professional scope, while earning substantially more than available elsewhere.

You will first join the editorial team working on a number of financial newsletters and conferences. You should be editing your own newsletter(s) within 6 months (or sooner). The Institute is growing very fast, and within this stimulating environment you have great scope to develop your own ideas.

Write, with CV, to Irvine Laidlaw,
INSTITUTE FOR INTERNATIONAL RESEARCH,
70 Warren Street, London W1P 5PA.

QUALIFIED ACCOUNTANT

with experience in either a Merchant or Clearing Bank sought by leading International foreign bank's City office to become their Internal Auditor. Someone 28-40 able to take on this newly created appointment will receive a mortgage subsidy and salary c.£8.000 p.a.

GUY GROVE RECRUITMENT CONSULTANTS 839 6542

UNIVERSITIES APPOINTMENTS

UNIVERSITY OF EAST ANGLIA, NORWICH.
READER/SENIOR LECTURER and LECTURER ACCOUNTANCY & FINANCE

Applications are invited for two newly established posts which arise from the introduction of an Accountancy Programme. For the senior post preference will be given to suitably qualified candidates with research interests in the area of income measurement and/or financial reporting. For the Lecturer post, preference will be given to candidates with an interest in quantitative accounting and finance or areas which may involve the use of computers in accounting or finance. However, applicants with interests in any area of accountancy and finance will be considered. One appointment will commence on 1 April 1979 or as soon as possible thereafter. The other appointment will commence on 1 September 1979. The initial salary for the posts will be at an appropriate point on the Reader/Senior Lecturer scale, currently £7.506 to £9,263 and on the Lecturer scale £3.883 to £7.754 (under review) plus USS benefit.

The new course will include particular emphasis on the quantitative and analytical as well as the professional aspects of financial and management accounting. One distinguishing feature will be the emphasis on the use of computers in accountancy.

Applications (one copy only) giving full particulars of qualifications and experience, and exact date of birth, together with the names and addresses of three persons to whom reference may be made, should be lodged with the Establishment Officer, University of East Anglia, Norwich NR4 7TJ (telephone 0603 56161 ext 2126) from whom further particulars may be obtained, not later than 10 November 1978. No forms of application are issued. In naming three referees you are particularly requested to give only the names of those who can immediately be approached.

Senior Account Executives

c. £6,000

Factoring and its related activities is one of the fastest growing services in the United Kingdom.

Griffin Factors Limited—a subsidiary of Midland Bank Limited—is a leader in this field. Continued growth has created the need for senior account executives.

Experience in factoring is not necessary but successful candidates should be graduates or have a banking, financial or legal qualification. A minimum of 5 years relevant experience will be a distinct advantage.

Our Head Office in Worthing, Sussex, will be the base for the executive and after comprehensive training he/she will be working largely on his/her own initiative. This will require the ability to review the operations of businesses in differing fields and negotiate successfully at director level with client companies.

The career offered is a challenging one with excellent prospects for promotion. As a member of Midland Bank Group the Company offers first class conditions of service. Assistance with relocation will be given.

Applicants aged between 26-33 are invited to write, giving brief details of career and reasons for applying to:—

Mrs. J. Marshall,
Personnel Manager,
GRIFFIN FACTORS LIMITED,
Griffin House,
21 Farncombe Road, Worthing,
Sussex BN11 2BW.

Griffin Factors Limited
A SUBSIDIARY OF MIDLAND BANK LIMITED

CHIEF ACCOUNTANT
City based to £9,000+car

Our client is the UK subsidiary of a well known, major US corporation. A market leader in their field, they provide a variety of financial services to industrial and commercial organisations.

The Chief Accountant, reporting to the Financial Controller, will be responsible for a large and busy accounts department, shortly relocating to the City. Special priorities include the development of management information systems, involvement in computerisation, and selection and training aimed at upgrading the accounting staff.

As a result of recent and continued growth, this is a crucial appointment with considerable prospects. Candidates should be qualified accountants (M/F) probably aged 28-35, with at least 3 years' experience in a marketing orientated, commercial environment. Above all, a creative and innovative approach is called for, combined with an ability to work with all levels of staff.

For further information and a personal history form, contact Neville Mills A.C.I.S. or Kevin Byrne B.A. quoting reference 2280.

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

To develop and expand our existing business

CAWOOD MANN & SMITHIE

Members of the Stock Exchange are looking for an

ENTERPRISING AND IMAGINATIVE INSTITUTIONAL ANALYST/SALESMAN

for their Harrogate office

Write to me please in your own handwriting with:—

1 Details of your career to date.

2 Your assessment of your own potential within a very small firm, and

3 The remuneration you think you are capable of justifying. (Suggested parameters: £10,000-£20,000 p.a.).

JONATHAN M S SMITHIE
CAWOOD MANN & SMITHIE
22 EAST PARADE,
HARROGATE, NORTH YORKSHIRE HG1 5LT.

This appointment is open to men and women

Young Investment Analyst
London Stockbrokers

We are seeking to appoint a young man or woman with "A" levels to join our team of investment research analysts. Previous experience an advantage but not essential. School-leavers will be considered. A full training will be given and the successful candidate will be encouraged to develop his or her ideas, and to take an active part in securing business. Salary to be negotiated.

Please write with C.V. to:
M. J. Hooper,
CHARLES STANLEY & CO.,
18 Finsbury Circus, London EC2M 7BL.

FINANCIAL DIRECTOR
LLOYD'S BROKERS

A highly successful, medium-sized firm, based in the City, wishes to appoint a qualified accountant, aged around 30-40, to the main Board. The company has reached an important stage of development and the Financial Director will be expected to advise the Board on all financial matters relating to the growth of the group, as well as day to day control.

Candidates must have worked in the insurance industry, probably with a Lloyd's broker and should possess the highest professional skill. The demands made upon the Financial Director require someone with considerable personal qualities to enable him to participate in a young, dynamic management team.

SALARY AND BENEFITS BY NEGOTIATION APPROACHING £20,000 P.A. PLUS CAR

Please apply:
Sir Timothy Hoare
Chichester House
Chichester Rents
London WC2A 1EG
01-242 5775

Career plan Limited
Personnel Consultants

Corporate Planners
Liverpool c. £8,000+car

Our client, an independent group with an annual turnover in excess of £50 million, is engaged in retailing, papermaking, packaging and information systems, as well as its traditional activity of newspaper publishing both in the U.K. and in North America.

Due to internal promotions there are now one or two vacancies for graduates with a minimum of four years' business experience to join a small, enthusiastic corporate planning department based in Liverpool.

The corporate planning function is well-established and assists the individual operating companies in determining medium and long-term policies and in evaluating the resultant commercial and financial strategies. In addition, the department is responsible for project appraisal, acquisition studies and economic analysis, as part of the group's continuing programme of expansion and diversification.

Candidates aged between 25 and 35, need not have been directly involved in any of the industries with which this group is concerned, but will probably have practical experience of marketing, production, finance, or management sciences. A degree or equivalent from a recognised university or business school is essential, but strong personal qualities and good oral and written communicative skills are no less important. Prospects of further career development whether into line management or into group management services are excellent.

Please apply in writing with full career and personal details to: Michael Waggett quoting job no. 973.

Odgers MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

Director
Electrical Contractors Association
c. £15,000

The Association, founded in 1901, represents the interests of over 2000 member firms. Its London headquarters comprises some 50 staff and a small regional structure has been established. The Council now seeks to appoint a successor to the present Director who retires next year. The role is to act as spokesman for the industry in national and international forums and to give firm leadership to the permanent staff in providing services to members on wide ranging, technical, IR and business matters. The Director, ex officio, is a member of Council and standing committees. Candidates, ideally aged 40 to 50, must have a broad industrial experience at Board level, or its equivalent. A presence appropriate to representation at Government level is essential. Salary will be negotiable around £15,000 with a car and suitable allowances. Location: Central London.

PA Personnel Services Ref: GM51/6624/FT.

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

EUROBONDS—SALES

A leading U.S. investment banker established in the Eurobond market is seeking experienced institutional sales-person for its London office.

Salary negotiable.

Please write with c.v. to Box A.6522, Financial Times, 10, Cannon Street, EC4P 4BY.

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If you are in the job market now – we are here to help. Coutts Careers provide:—
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Percy COUTTS & Co.
01-839 2271
140 Grand Buildings
Trafalgar Square,
London WC2.

Schlesingers
Unit Trust Accountant
Based in Dorking

We are a well established Unit Trust Company within the Schlesinger Investment Division managing over £100m. Due to our continuing expansion an opportunity has arisen for a Trust Accountant/Administrator based in our pleasant modern administrative offices in Dorking.

The successful applicant will ideally be aged between 25 and 40 and will have gained experience of portfolio accounting with a Unit Trust or Investment Trust Company or similar organisation. Greater emphasis will be placed on practical experience rather than formal qualifications. The person appointed will have full responsibility for the accounting and administration of a number of our Unit Trust Funds including portfolio valuations, distribution accounts and foreign currency loans.

A generous salary will be offered to the right candidate and benefits include profit sharing, B.U.P.A. and luncheon vouchers at 50p per day.

Please telephone or write in confidence to:-
Mr. J. Clark, Schlesinger Trust Managers Limited, Schlesinger House, 140 South Street, Dorking, Surrey. Tel: Dorking (0306) 86441

INTERNATIONALLY ORIENTATED YOUNG EXECUTIVE

in mid-thirties with recent board experience in financial institution dealing with investment, F/X, money market, cash planning, regulatory authorities, etc., seeks interesting, challenging and rewarding assignments, non-executive directorships or permanent position in similar field in U.K. or abroad.

Write Box A.6524, Financial Times, 10, Cannon Street, EC4P 4BY.

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Tel: 01-588 3588 or 01-588 3576
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Opportunity to develop major new operational systems for the 1980s in a rural location close to the sea.

CJRA PROJECT LEADER — SYSTEMS DEVELOPMENT

SOUTHERN ENGLAND — To circa £9,000

INTERNATIONAL FINANCIAL GROUP WITH CORPORATE COMMITMENT TO NEW SYSTEMS

We invite applications from candidates, who are likely to be graduates or equivalent, with sound technical experience in the design and implementation of large scale on-line computer systems. The successful candidate will have had experience of liaising with users at all levels and will take prime responsibility for a segment of a 50 man year project which is the mainstay of the Group's future development programmes. The systems will run on the Group's powerful IBM configuration using the latest database and telecommunications software. This is an opportunity for a business orientated computer professional with initiative and the ability to achieve results. Rewards are geared to experience, skills and performance. Initial remuneration is negotiable to circa £9,000, other fringe benefits and assistance with removal expenses if necessary. Applications in strict confidence under reference PL10689/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:
CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Managing Director

Pharmaceuticals — Turnover c.£100 million

This is one of the top posts within the UK pharmaceutical industry, entailing complete profit and loss responsibility for a company with a turnover of around £100 million per annum.

Our client has an outstandingly successful record — and possesses the products, people, expertise, finance and determination to achieve further rapid and substantial growth.

To take maximum advantage of these resources — and to plan, create and capitalise upon new opportunities — we seek an MD with 3 key qualities: an original marketing mind of the highest calibre, decisiveness and strong "teamsmanship" skills.

Applicants should have a solid background in marketing but will probably now be in general management — either in the UK or overseas. They should be amongst the top few men or women within their current sector of industry.

This should involve fast-moving and/or technically-sophisticated, high-volume products in a strongly competitive market situation. Existing experience of the pharmaceutical industry would be of definite advantage, but is by no means essential. Ideal age: 40–45.

An exceptionally attractive remuneration and benefits package will be negotiated individually.

Please write in complete confidence, enclosing a comprehensive and up-to-date curriculum vitae:

Talentmark
Leaders in Health Care Recruitment

Tony Forbes-Leith, Talentmark Limited, King House, 5-11 Westbourne Grove, London W2 4UA. Phone: 01-229 2266

OLYMPIC HOLIDAYS

Olympic Holidays Limited, Britain's leading tour operator to Greece, require a Chief Accountant to be based at their London office.

The successful applicant will probably be a qualified accountant and will have considerable commercial experience in a managerial role. He/she will be responsible for the total accounting function of the company, preparation of management accounts and information, statutory accounts and liaison with our Athens office.

This will be a demanding but rewarding job in an expanding company. The company's accounting and operations systems will be fully computerised by the end of this year.

Salary will be negotiable at c. £7,500 and fringe benefits, including generous travel concessions, are attached to this position.

Please send full details to Jan Webber, Olympic Holidays Limited, 24-28 Queensway, London, W2.

Neutra Treuhand AG

the leading Swiss accounting firm, with offices in Belgium, France and Italy and associates throughout the world, requires a

CHARTERED ACCOUNTANT

who will be responsible for technical standards and training on a European-wide basis. The position, based in Switzerland, will involve the development of technical material, the organisation of training courses and quality control procedures and will also require some client responsibility. An interesting remuneration package is available for the person selected, who will have had a wide range of experience in public accounting at an international level and will require a good knowledge of German.

Send detailed curriculum vitae to:

Neutra Treuhand AG
Central Administration
P.O. Box 2893
CH-8023 Zurich/Switzerland

EARNSHAW, HAES & SONS

Members of the Stock Exchange

SALES EXECUTIVE/ANALYST required primarily for Traded Options. Applicants should be over 25 with several years experience in investment.

Apply with curriculum vitae to:
D. S. Cornelius, Esq.
Earnshaw, Haes & Sons,
17 Tokenhouse Yard,
London, EC2R 7LB.

Dennis Chatfield & Associates

TAXATION & ACCOUNTANCY RECRUITMENT CONSULTANTS

POTENTIAL PARTNER

London — c. £8,500

Our client, a very successful West End Chartered Accountant with a substantial practice, is seeking a young A.C.A., circa 30 years old, to join him with a view to partnership within 12-18 months.

The firm, which currently has five staff, operates from excellent offices close to Bond Street and is very much theatre/arts orientated with a number of well known personalities among its clients. Candidates should be capable in both corporate and personal taxation and should have flair, considerable self-motivation and sense of humour.

Wheatsheaf House, Carmelite Street, London EC4Y 0BN. Tel: 01-353 1307/8.

CONFIRMING HOUSE

Potential Board Appointment

A large and long established confirming house with very substantial financial resources, which still manages to retain the personal approach of a small business in relationship with its customers and also in the manner in which it is managed, requires an experienced senior executive who has travelled, understands credit assessment and client relationship to join and become one of a small top management team.

A salary of not less than £12,000 per annum is envisaged but this could vary considerably dependent upon experience and the applicant's ability as a business getter and market controller. Probable age group 35/45. Pension scheme, car and bonus. Location London.

Applications with curriculum vitae in strictest confidence to the Managing Director, Box A.6525, Financial Times, 10, Cannon Street, EC4P 4BY.

Stockbroking Dealer

International Department

Our client, a leading firm of stockbrokers, seeks an experienced dealer to join their established international department.

It is envisaged that this position will appeal to an ambitious individual, aged 20-30, with proven dealing ability, a knowledge of French and possibly, an appreciation of, German.

Please contact F. J. Stephens who will treat all enquiries in the strictest of confidence.

Stephens Selection
35 Dover Street, London W1X 3RA. 01-493 0617
Recruitment Consultants

Experienced Investment Research Analyst

Location New York. Internationally known U.S. Investment Banking and Institutional Brokerage Firm. Desires minimum three years' experience, in-depth institutional research work. Knowledge of Far Eastern (Japan, Hong Kong, Singapore) Securities essential. Excellent growth potential. Expect London interviews week of November 27th. Send resumes in complete confidence to Box F.1056, Financial Times, 10, Cannon Street, EC4P 4BY.

CHARTERED ACCOUNTANTS

The Calgary Canada office of a firm specialising in services to small and medium sized members of the community requires recently qualified and experienced chartered accountants.

Calgary is a major financial and administrative centre for the Canadian Oil and Gas Industry and the firm has strong national and international affiliations.

The positions offer a wide variety of challenges to the professional who is skilled in supervising others and enjoys working with clients in all aspects of public accounting services, including auditing, accounting and taxation.

Please write in confidence with curriculum vitae, as soon as possible, to J. E. Collins, c/o Josolyne Layton-Bennett and Co., Metropolis House, 39/45 Tottenham Court Road, London W.1, and quoting reference RTA/9200.

CLUBS

EVE, 189, Regent Street, 734 0557. A la Carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45 and 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 69, Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW "AS YOU LIKE IT" 11-3.30 am. Show at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

OBITUARY

LEVENTIS. — On October 25th, 1978, at Athens, Greece. His Excellency Ambassador Anastasios George Leventis after a long and bravely born illness, aged 76 years. Chairman and founder of the A. G. Leventis Group of Companies and Ambassador for Cyprus to UNESCO. No flowers. Donations if desired to Cancer Research Institute, Athens.

Commercial Accountant

Young CA

Brussels, Salary range $30,000

An opportunity exists for a recently qualified chartered accountant to join a small, young and energetic team providing the total finance function at the European HQ of an American, privately owned company constructing chemical plants in developing countries. Reporting to, and occasionally deputising for the financial controller, primary responsibilities are the financial and management accounting on current projects. Other responsibilities include sub-contractors cost supervision, foreign currency transactions, investigation and day to day problem solving. Applicants should be aged under 28, ideally but not necessarily graduates, with up to two years post qualification experience, either in the profession or in a demanding, heavy industrial environment. Prospects and benefits are excellent.

N.P.S. Lilley, Ref: 22098/FT

Candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

INVESTMENT ACCOUNTING OPPORTUNITIES MIDDLE EAST

Our client has the responsibility for the investment management of substantial funds which, as a result of constant growth, has given rise to opportunities for three accountants to work in Abu Dhabi on a two year contract basis, renewable thereafter.

Chief Financial Controller

£15,000 to £20,000 tax free + car + furnished accommodation.

Reporting to the Financial Director, the successful candidate will control the head office finance function. He will supervise the day-to-day work of the accounts section and the consolidation of financial and management information from the various divisions. He will liaise closely with the senior portfolio managers and control eleven accountants.

Candidates for this appointment will be qualified accountants, ideally with three to five years' investment accounting experience. They should be aged 30-45, self disciplined and have the ability to communicate with management at all levels.

Two Investment Accountants

£10,000 to £12,800 tax free + furnished accommodation.

Preparing management and financial information for the specialist investment divisions, the successful candidates will become an integral part of the existing head office accounting function.

Candidates will be qualified accountants with some exposure to investment and may be currently in the profession or commerce. They should be aged 25-30 and able to demonstrate a flexible and committed approach necessary to succeed in a demanding environment.

For more detailed information on these appointments and a personal history form please contact Neville Mills A.C.I.S. or Peter Dawson B.A. quoting reference 2233.

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel. 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

BROKING & BANKING

MONEY BROKERS Local authority and commercial. Prev. Broking or FX exp. Age 20+. Sal. £6,000-£10,000 according to age and background.

1ST CASHIER for Foreign Till work, standing orders, clearing and correspondence. Varied duties for City banking concern. Applications welcome from female or male staff. Age 20+. Sal. £4,000 + benefits.

DOCUMENTARY COLLECTIONS CLK. Age 20+. Good prev. City banking exp. to join a dept. of 5 in a small banking concern. Sal. £4,000 + excellent benefits.

BANK AUDITOR AIB and Part or Full ACCA, or similar. Exp. with International or Export bank essential. Age 25+. Sal. not less than £7,000-£8,000 + exceptional benefits.

SNR. ACCTS. PERSON min. of 5 yrs'. exp. in Merchant banking. Age 25'ish. Knowledge of computerised banking systems, general accounting, multi currencies, B of E returns, federal reserves, management reporting. Sal. c. £5,500.

FOR THESE AND MANY OTHERS ASK DELLA FRANKLIN
248 6071
ALANGATE EMP. AGY.

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

MONEY BROKING — FX & STERLING

STERLING BROKERS £5 figures
We are currently seeking an experienced Sterling broker with established contacts. It is anticipated that the successful candidate will not be older than 32, will have a thorough knowledge of the Sterling market and, ideally, some experience in the Dollar market.
We also seek a broker with good experience of the Sterling C.D. market; experience, rather than age will be the criterion in the selection of the candidate. Salary negotiable.

L.A. DEALERS/BROKERS £Neg.
We seek established Local Authority dealers or brokers for broking clients. A good knowledge of this market is essential.

FOREIGN EXCHANGE BROKER to £10,000
Our client a leading broking firm seeks an experienced dealer or broker with knowledge of the Dollar market.

Please contact: ARTHUR SIDDALL

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

ACCOUNTANCY/BANKING BACKGROUND COMMERCIAL ENTREPRENEURS

AGE 26-30s — £6250 - £7750 PA

Our clients are the top professionals in their sphere of business which offers a financially orientated service to commerce and industry.
The work demands good experience across a broad financial/accountancy spectrum including the reading of balance sheets.
You will need to be self motivated and able to represent the Company in meetings with top client management.
Three new executives are required so please telephone as soon as possible to arrange a preliminary interview.

TIM WEEKS or ANDREW MOORE: 01-481 1506
MOOR & WEEKS LTD., PERSONNEL RECRUITMENT
CORN EXCHANGE BUILDING, 52/57 MARK LANE, LONDON, EC3

PUBLIC NOTICES

METROPOLITAN BOROUGH OF BURY
£2m Bills issued 25th October, 1978, due 24th January, 1979, at 9⅜% per annum. Applications £12m. These are the only Bills outstanding.

CLASSIFIED ADVERTISEMENT RATES

	Per line £	Single column cm. £
Commercial & Industrial Property	4.50	14.00
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Premium positions available
(Minimum size 40 column cms
£1.50 per single column cm extra)
For further details write to:
Classified Advertisement *Manager,*
Financial Times,
10, Cannon Street, EC4P 4BY

LEGAL NOTICES

No. 003237 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of KAPE (DRIFFIELD) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was, on the 11th day of October 1978, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41 Mark Lane, London EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 13th day of November 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. F. GLOAK,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE,
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of November 1978.

No. 003375 of 1978

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SLAVWAIN BUILDINGS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 20th day of October 1978, presented to the said Court by HEPPELL HUNTER & SMALLPAGE LIMITED whose registered office is situate at River House, Museum Street, York, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 20th day of November 1978, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

WM. F. PRIOR & CO.,
Temple Bar House,
23/28 Fleet Street,
London EC4Y 1AA.
(Ref: PO7762)
Agents for:
R. C. MOORHOUSE & CO.,
Protection House,
16 & 17 East Parade,
Leeds LS1 2BR.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and adress of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 17th day of November 1978.

ART GALLERIES

CRANE KALMAN GALLERIES, 178, Brompton Road, S.W.3. Outstanding British works of art. Barbara Hepworth, L. S. Lowry, Henry Moore, Ben Nicholson, Graham Sutherland, William Scott, Matthew Smith, etc. ALSO works by European and American artists. Mon.-Fri. 10-6. Sat. 10-4. 01-584 7566. CRANE ARTS, 321, King's Road, S.W.3. 01-352 5857. Native Art from 18th-20th cent. Also young artists of unusual vision and talent.

FURNEAUX GALLERY of Wimbledon presents an exhibition of new paintings by PETER NEWCOMBE from Oct. 24 to Nov. 10 at the Alpine Gallery, 74, S. Audley Street, London, W.1. 10.30 to 5 daily (except Sats. & Suns.). Late opening to 8 pm each Tues. Tel. 029 2280.

BROWSE & DARBY, 19, Cork St., W.1. ANTHONY EYTON, Recent Paintings and Drawings.

GASTON PIERRE GALEY (1880-1959). Paintings at the Mall Galleries, The Mall, S.W.1. Mon.-Fri. 10-5. Sats. 10-1. Until Oct. 31. Adm. free.

J.P.L. FINE ARTS, 24, Davies Street, W.1. 01-493 2630. RAOUL DUFY, drawings, watercolours 1900-1939. Oct. 10-Dec. 8. Mon.-Fri. 10-6.

LUMLEY CAZALET, 24, Davies St., W.1. 01-499 5058. ROBERT BATES—Recent Watercolours. Until Nov. 10.

MALL GALLERIES, The Mall, S.W.1. Royal Institute of Oil Painters Annual Exhibition. Open Daily inc. Suns. 10-5. Until Nov. 2. Adm. 20p.

MARINE ARTISTS. Royal Society's Annual Exhb. at Guildhall, E.C.2. Mon.-Sat. 10-5. Until 1 pm Nov. 3. Adm. free.

COMPANY NOTICES

MICHELIN INTERNATIONAL DEVELOPPEMENT N.V.
Corporation under Dutch law with capital of FL 30 000 000
Registered Office: LA HAYE (Netherlands)

6% Bonds 1970-1985 $1 000

Numerical List
1) of the series including, with the previous purchases and converted bonds, the 1 266 bonds drawn by lot on October 12, 1978 (third drawing), making up with the 4 134 bonds converted into COMPAGNIE GENERALE des ETABLISSEMENTS MICHELIN shares "B", the entire $5 400 000 nominal amount to be redeemed with respect to the fourth redemption:
37 877 to 39 955
Such bonds will be repayable at $1 000 on and after January 5 1979, the holder of the same keeping the conversion option into shares during a period of thirty days from the repayment date;
2) of the series previously drawn by lot and not yet presented for the repayment:
Drawing of October 14, 1976
—Repayment on January 5, 1977
45 880 to 48 576
Drawing of October 14, 1977
—Repayment on January 5, 1978
7 223 to 13 791
Principal interest will be payable at the office of the MORGAN GUARANTY TRUST CY of NEW YORK and at the following banks:
—Banque Nationale de Paris, Paris
—Credit Lyonnais, Paris
—Banque Industrielle et Mobiliere Privee, Paris
—Banque Nuger, Clermont-Ferrand
—Banca Nazionale del Lavoro, Rome
—Banque Generale du Luxembourg, Luxembourg
—Commerzbank A.G., Dusseldorf
—Credit Suisse, Zurich
—Dresdner Bank A.G., Francfort
—Societe de Banque Suisse, Basle
—Societe Generale de Banque S.A., Bruxelles
—Societe Generale, Paris
—Banque de Paris et des Pays-Bas, Paris
—Banque de Neuflize Schlumberger Mallet, Paris
—Banca Commerciale Italiana, Milan
—Banque Bruxelles Lambert, Bruxelles
—Barclays Bank Ltd., Londres
—Credito Italiano, Milan
—Deutsche Bank A.G., Francfort
—Kredietbank N.V., Bruxelles
—Societe Generale Alsacienne de Banque, Luxembourg
—Union de Banques Suisses, Zurich
Oustanding amount: $32 400 000

M.T.D. (MANGULA) LIMITED

(Incorporated in Rhodesia)
A MEMBER OF THE MESSINA GROUP OF COMPANIES

DECLARATION OF DIVIDEND

Notice is hereby given that Dividend No. 39 of 8 cents per unit of stock has been declared payable to stockholders registered in the books of the company at close of business on Friday, 10th November, 1978.

The dividend is declared in the currency of Rhodesia and warrants in payment, subject to Exchange Control consent, will be posted from Salisbury, Johannesburg and London on or about 8th December, 1978.

Dividends payable from the London and Johannesburg offices will be paid in the currencies of those countries at the rate of exchange ruling on 1st December, 1978. Rhodesian non-resident shareholders' tax at the rate of 20% will be deducted from dividends due to shareholders whose addresses in the share register are outside Rhodesia.

Present regulations prevent payments to residents of the United Kingdom, the Channel Islands, the Isle of Man, Tanzania and Zambia. Unless the position changes before the payment date, the dividends due to such members will be paid into a blocked savings account in their names with a commercial bank in Rhodesia and will earn interest at the rate ruling for blocked funds.

The transfer books and register of members will be closed from 11th to 17th November, 1978, both days inclusive.

Summaries of the copper production and sales, profit and loss account and appropriations for the year ended 30th September, 1978, are as follows:—

COPPER PRODUCTION AND SALES

	1978	1977
	(Tons)	(Tons)
Opening stocks	3,903	6,429
Production	17,387	15,073
	21,290	21,502
Sales—priced during the year	15,408	17,599
Closing stocks	5,882	3,903

AUDITED PROFIT AND LOSS ACCOUNT AND APPROPRIATIONS

	1978	1977
	($000's)	($000's)
Profit before taxation	4,107	3,721
Taxation	1,106	229
Profit after taxation available for appropriation	3,001	3,492
Dividend Nos. 38 and 39	2,200	2,800
Transfer to Reserves	801	692
	3,001	3,492
Net capital expenditure	194	631
	Cents per share	
Earnings	15	17
Dividends	11	14

The Report and Accounts for the year ended 30th September, 1978, will be posted to Members on or about 8th December, 1978, and the Annual General Meeting will take place in Salisbury on 23rd January, 1979.

By Order of the Board.
THE MESSINA (RHODESIA) DEVELOPMENT COMPANY LIMITED
Secretaries.
Per: A. T. TICKNER.

London.
25th October, 1978.
Transfer Offices:
First Floor, Trustee House, 55, Jameson Avenue, Salisbury.
28, Harrison Street, Johannesburg, 2001.
6, Greencoat Place, London SW1P 1PL.

هكذا من الأصل

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

The big new name in engineering
NEI
NORTHERN ENGINEERING INDUSTRIES
A MERGER OF CLARKE CHAPMAN REYROLLE PARSONS

● COMMUNICATIONS

Keeps the telex messages moving

KNOWN mainly for its banking communications systems, Arbat UK has moved into the message switching business with the introduction of Intelex.

Based on Digital Equipment PDP11 minicomputers and operating systems developed in the banking work, Intelet is Arbat's first general purpose system and is available to any high volume Telex user regardless of the type of business.

The idea of such a system which is generally located at a central point (for example the headquarters building) of a large organisation is to deal with all the Telex traffic of entering and leaving the organisation on a "store and forward" basis.

Message switching systems have been gradually replacing the old style of Telex room in which an incoming message from a branch intended for say, four destinations would entail the making of four paper tapes which are fed to four machines on outgoing lines.

In electronic message switching the incoming mesages are stored on magnetic discs and retransmitted according to agreed priorities as outgoing lines become free. Paper tapes and even hard copy need not be generated.

Intelex automatically answers the incoming Telex calls and dials the outgoing ones when it is ready.

In addition, it can support a considerable data base concerning the people and organisations likely to be addressed by the system. It can hold up to 999 group messages with up to 99 individual names in each group, together with nine message priority levels. Some 48 Telex lines can be connected.

Where there is a need for similar, but not identical, messages to be directed to a variety of correspondents, Intelex can generate amended versions from just one original.

If a particular subscriber being called has more than one Telex number, the system will discover, by a learning process based on previous transmissions, which one is most likely to provide a connection quickly, and will dial that number first.

When a connection is established the equipment will scan its queues for any others with the same address and transmit them all before signing off.

Intelex also has the ability to batch up messages that could not for example, be sent to the U.S. because of the time difference and then send them at the first opportunity, at the same time carrying on its normal send and receive traffic.

Security of transmitted information is assured with full protection against lost or corrupted data by means of duplicated message and journal files.

More from Arbat at 160 Queen Victoria Street, London, EC4V 4DA (01-248 6499).

● DATA PROCESSING

Facts for the broker

THE MORE a stockbroker's firm grows, the larger the problem of recalling individual portfolios for valuations becomes. The way portfolio files are organised is a problem in itself where these two are organised by name of holder and a client wants to know who, for instance, owns ICI shares.

When a client wants this type of information he wants it quickly and a stockbroker cannot afford to come up with a portfolio and judgment three days later because everything will have changed. Speed is essential in this situation.

MCS Mini Computer Systems, a Maidenhead company, has launched a records management and information retrieval system called Factfinder.

With this, a stockbroker may access portfolios by cross-reference number, tax details, age, foreign holdings, yield details, dates of dividend payment, review dates, or by any number and combination of parameters defined by him.

Valuations may be speedily produced with Factfinder on individual portfolios at no extra cost to the client, together with opinions on market sectors, particular offers, rights issues and any other information accumulated during a normal day's dealing.

MCS Mini-computer Systems, Park House, Park Street, Maidenhead, Berks. 0628 71411.

● PACKAGING

Putting pop in plastics

THE FACT that two companies in the UK are investing between them more than £7m in the commercial production of plastics bottles specially for carbonated drinks is interesting news for the British plastics industry but a daunting prospect for glass bottle manufacturers.

Intending to be the first off the ground is Lin Pac Plastics Mouldings (part of Lin Pac Plastics International) whose £1.8m factory at Sherburn, near Leeds, will be initially equipped with five Nissei ESB 650 stretch/blow-moulding machines for production of the bottles.

Two Nissei FS 250L injection moulding machines will be used for manufacturing low-density polyethylene bases required for the bottles. Purchase of these machines, as well as ancillary equipment needed for automated production operations, represents investment of a further £1.8m. Bottle decoration and palletisation systems are currently under evaluation.

The company's initial production will be geared to providing some 35m 1½-litre bottles a year but should the market grow, the Yorkshire factory can provide capacity for production in excess of 100m bottles a year. The factory, says the company, is also capable of further expansion to satisfy even greater demands.

The stretch/blow moulding machines will be fed automatically via specially developed dryer units from a bank of 50 tonne bulk storage silos, and polymer supplies transported by one of the company's 20-tonne tankers which will be operated exclusively for this purpose. The necessary raw materials are available from a number of sources and the company is currently evaluating ICI, Goodyear and Rhone Poulenc polymers.

Each of the Nissei ESB 650 machines will be equipped with multi-cavity moulds. Bottles will be cooled as they are discharged from the moulds and will then be transferred to fully-automatic quality control systems. The final stage in the manufacturing process will be application of the injection-moulded bases. Unlike those used in the United States, which are welded on, Lin Pac's bottle design has bases which can be either clipped or stuck on to the bottles to enable them to be stacked.

Lin Plastics International is also in the advanced stages of planning polyester bottle production at one of its existing factories in Watford and the bottles are planned to come on stream here during the early part of 1980.

The Beccles-based plastics blow-moulding company of the Mardon Packaging Group, Fibrenyle, is investing £3.5m in buildings and machinery at its Ellough factory, and will produce here stretch-blown PET (polyethylene terephthalate) bottles. A new warehouse of about 2,900 sq metres will be built, so releasing existing floor space for the stretch-blown equipment, and bottles should be available for sale from mid-1979 onwards.

This company believes that the carbonated drinks market can best be serviced using a two-stage system and has opted for a Husky/Corpoplast combination. This involves Husky H 38S PH two-stage injection moulding machines, feeding multi-cavity 1.5 litre preform hot runner moulds, and Gildemeister Corpoplast BAB IV machines for blowing the preforms to final bottle size.

Husky machines are also being used for the injection-moulding of base cups in polypropylene, using multi-cavity stack moulds. The company says that sufficient equipment has been ordered to feed two blowing machines, with an anticipated output potential of around 30m bottles a year. Its plans envisage expansion to at least double this output within a relatively short period of time.

Larger plastic bottles are used at the moment for the two most popular carbonated drinks consumed in the UK—lemonade and cola. However, the commercial florescence of the plastic bottles industry in this country is inevitable and the bottles—light in weight and guaranteed not to burst should they be dropped or exposed to strong sunlight—will be used for the vast range of mixers and other fizzy drinks on the market.

DEBORAH PICKERING

● IN THE OFFICE

Swallows big sheets

MOST small office-type shredders available today can only destroy a few sheets of letter paper at a time, but the latest development of the "Allround 200" Shredder from EBA is a mobile machine compact enough to stand alongside a standard desk and yet powerful enough to take large engineering drawings. It will also process up to six lots of computer print-out paper simultaneously and can destroy up to 27 sheets of 70 gsm DIN A4 copy paper in a single pass, at 5, 7 mm shred width as sample. The unit is quiet and clean in operation and the shredding section is not affected by paper clips and staples.

The machine can be used by unskilled operators and the mechanism includes a special device to protect the working parts against accidental overloads. This device operates by actually monitoring the speed at which the drive motor is running; if an attempted overload slows the motor below a pre-set minimum level, the power supply providing forward drive is instantly disconnected. By this means, jamming is avoided and the working parts are not subjected to strain.

High capacity offers great savings in comparison with other deskside machines and the self-protection devices save all the irritation of manually clearing blockages. Although it has a high performance, the unit can be conveniently operated in any office location from a standard 240 volt wall socket and the built-in castors allow for it to be moved from office to office as required. Shredded waste is collected in a re-useable pvc bag mounted inside the cabinet base of the machine and the bag can be moved completely for easy emptying.

EBA System (Marketing), 20 The Broadway, Thatcham, Berkshire. Tel. 0635 63208.

● INSTRUMENTS

Simplifies analysis

PUT ON the market by Cambridge Instruments is the Quantimet 720 System 23 image analyser, costing about two-thirds of the price of the earlier computerised 720 systems.

Advantage of the system is that it enables the operator to build up comprehensive routines specific to the application without knowledge of programming language or computer skills, using the purpose designed keyboard and software.

Once optimised, these routines can be kept on the disc store for immediate future use as required.

A typical routine for an image obtained say from a microscope and television camera system and shown on a CRT, might include a programmed threshold to select features at different grey levels. A frequency histogram of length could be performed on one level while a complete listing of area and perimeter together with the X-Y co-ordinates of each feature could be obtained on another. The entire routine might be performed on many fields before presenting the data.

More from the company at Rustat Road, Cambridge, CB1 3QU (0223 42021).

● SECURITY

Safeguards the boat

AS SAILING grows in popularity so do thefts of equipment and fittings from boats, and a Danish company is offering protection to owners of craft with a system called Navyzig.

This is a neat control box linked to sensors which, apart from providing a warning in case of theft, also alert users to fire, gas escape, bilge flooding, loss of oil pressure, over-heated cooling system or loss of battery voltage.

The company also markets a cheaper system called Burglarzig which provides a routine burglar alarm and can be used in a car or house as well as on a boat.

More from Danish Invention Construction Co. ApS, Kokkedalsvej 5, DK-2660 Broendby Strand, Denmark.

● COMPONENTS

Easy to construct

THE READING or understanding of engineering drawings by an erection team is said not to be necessary with the pictorial illustrations offered with a range of cooling towers from Serck Visco, Stafford Road, Croydon CR9 4DT (01-686 3861).

Called the 1800 series, they can be transported plate-small (which keeps down transport costs) and can be easily and speedily erected on site by unskilled labour. Packing is of the Coolflo plastic film type which is self-cleaning and non-clogging and this, too, can be transported plate-small and assembled on site with the aid of a small hand tool which is supplied.

Because of their modular design, the towers can be produced in almost any of the standard steel finishes—plastic coated sheet, galvanised sheet, plastic dip-coated after manufacture, etc. They can be fabricated entirely in stainless steel if necessary, and for applications demanding minimum weight, it is possible, says the company, to produce most of the tower from aluminium sheet.

● HANDLING

Mobile lift tables

HYDRAULIC lift tables that may be hand propelled into position are now being offered by Trepel (UK), New Road, Sheerness, Kent ME12 1NB (Sheerness 4581).

Available in standard ½, 1 and 2 tonne capacities, mobility has been cahieved by giving the basic lift a heavier baseframe with fixed-axle wheels at the front and swivelling castors at the back for manoeuvrability.

Typical applications should be for the removal of bus and commercial motor engines for servicing, and their subsequent replacement, or in the construction and movement from one work station to another of heavy assemblies, such as Post Office exchange and similar equipment.

● PROCESSING

In search of business

CANADIAN BUSINESSMEN looking for British technology, know-how and products associated with the food industry are due to arrive in London on November 18.

Of its 11 members seven represent food manufacturers; the other companies produce equipment used in food processing, or are involved in the cold storage business. It is hoped that their visit will lead to licensing and know-how agreements covering processing, canning and packaging of: apples, vegetables, dairy products, confectionery, pickles, fish and poultry. Marketing possibilities in the UK for their own food products will also be studied.

Contact with the Canadians may be made through the Ministry of Industry and Tourism, Business Development branch, Ontario House, Charles II Street, London, SW1Y 4QS (01-930 6404).

● RESEARCH

Energy from the sea

A RESEARCH programme is underway at the Argonne National Laboratory in the U.S. to try to cut the high potential cost of attempting to extract energy from warm sea water in the tropics.

The scheme under consideration is to use very large heat exchangers to transfer energy from the 80 deg. F surface waters to ammonia, which boils at about 70 deg F and would drive the plant's turbines to generate electricity. The area of exchanger surface needed—that of "several football fields"—and the need to use non-corrosive metal such as titanium, implies a high cost.

Objective of the research is to reduce, or in effect reduce the small temperature differential between the water and the boiling ammonia. If the heat transfer rate could be tripled, the exchangers could be one third the size now proposed, saving 40 per cent of the cost of the whole plant.

Some of the work involves investigating coatings on the surfaces such as aluminium to promote ammonia boiling and the construction of analytical models to discover what actually occurs inside the heat exchangers.

More from Argonne National Laboratory, Argonne, Illinois 60439, U.S.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● ELECTRONICS

Emphasis on service

SINTROM Electronic has just passed the £3m turnover figure at the moment of its tenth anniversary, marked in London by a private exhibition and the introduction of new versions of the data logger from Perex, the manufacturing subsidiary.

Customer support and service will continue to be emphasised, says managing director Tom Dalzell, in all the group's activities, which now cover distribution on a stocking basis (in particular of Intel and Centronics products); an OEM low overhead product - provisioning service; distribution into the small business market (mainly microprocessors) with a high level of customer support; and manufacture of appropriate peripherals.

Dalzell's view of the micro market is that for the small businessman (defined as having a turnover between £200,000 and £2m) with no knowledge (or desire to have knowledge) of software, single machines with standard application software packages are not the best solution.

Careless talk costs...

The idea that talk is cheap is very misleading. Because the wrong kind of talk can be enormously expensive.

Example: the often quite careless dialogue preceding the purchase of a new lift truck that turns out to be a white elephant. Because someone carelessly left out some vital facts. Or someone else didn't ask the right questions.

That is why we at Lansing plan even our pre-purchase dialogue with you.

For the carefully planned Lansing Dialogue is unique in the materials handling business.

To begin with, Lansing engineers are chosen and trained for their ability to extract vital facts from your company's management, including some that at first sight might even seem irrelevant. Because just one crucial sentence can save you thousands of pounds. *If* it's said in time.

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And we got that way by taking care that the lift truck you really need, is the one you get.

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UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1970=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1977							
2nd qtr.	105.5	102.4	106	102.5	222.0	1,330	163
3rd qtr.	106.3	103.2	106	104.3	234.2	1,413	151
4th qtr.	105.8	102.0	107	104.4	239.4	1,431	157
1978							
1st qtr.	107.0	102.3	110	106.3	246.0	1,409	188
2nd qtr.	110.5	104.2	106	108.0	254.2	1,367	213
May	109.6	102.9	115	108.4	255.2	1,366	210
June	111.0	105.0	100	108.7	257.3	1,365	217
July	110.2	104.1	107	111.4	265.8	1,371	211
August	110.7	105.0		111.8	270.3	1,392	209
Sept.				110.5		1,378	219
Oct.						1,360	228

OUTPUT—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
2nd qtr.	104.1	97.7	115.9	98.9	102.4	100.8	25.1
3rd qtr.	104.2	98.7	116.5	99.8	107.7	101.2	25.4
4th qtr.	104.6	97.5	114.3	98.6	95.2	100.1	20.7
1978							
1st qtr.	105.0	99.9	116.2	100.9	95.4	97.0	17.8
2nd qtr.	106.5	99.6	121.7	101.1	108.3	98.4	26.7
April	107.0	99.0	123.0	102.0	107.0	102.0	25.4
May	105.0	100.0	120.0	101.0	106.0	96.0	25.1
June	107.0	100.0	123.0	101.0	112.0	97.0	29.6
July	104.0	101.0	123.0	101.0	113.0	100.0	23.6
August	108.0	101.0	122.0	103.0	96.0	101.0	20.2

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
2nd qtr.	118.0	109.6	−762	−297	−745	100.3	14.9
3rd qtr.	124.4	106.6	+ 31	+574	−602	101.0	13.4
4th qtr.	117.6	102.7	− 5	+507	−657	102.4	20.39
1978							
1st qtr.	119.9	114.1	−612	−317	−646	104.9	20.63
2nd qtr.	122.2	109.6	−135	+198	−420	104.5	16.75
May	119.2	113.8	−227	−116	−115	105.3	16.66
June	121.6	111.3	−100	+ 11	−116	104.2	16.54
July	127.0	115.8	−132	− 57	−229	104.5	16.74
August	124.9	111.4	+ 57	+132	−104	105.7	16.4
Sept.	126.7	120.9	−194	−119	−176	105.6	16.51

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
2nd qtr.	24.8	14.9	5.5	+769	1,290	1,047	8
3rd qtr.	28.0	10.4	20.3	+365	1,084	1,149	7
4th qtr.	23.2	12.6	8.8	+698	1,565	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,791	1,049	1,260	6½
2nd qtr.	8.5	15.7	24.7	+2,869	694	1,393	10
May	13.1	17.2	18.3	+1,128	212	471	9
June	8.5	15.7	24.7	+315	147	459	10
July	9.3	9.5	35.1	+114	200	458	10
August	5.5	1.5	15.9	−276	200	493	10
Sept.					346		10

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
2nd qtr.	114.5	149.5	138.3	181.9	191.1	50.0	61.6
3rd qtr.	116.1	146.4	142.9	184.7	192.1	239.9	61.8
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	152.0	195.8	203.8	242.27	61.5
May	129.4	146.8	151.9	195.7	203.2	250.67	61.5
June	133.1	147.0	152.7	197.2	206.7	242.27	61.3
July	133.6	145.8	153.8	198.1	206.1	237.68	62.1
August	131.6	144.2	154.8	199.4	206.2	248.54	62.4
Sept.		145.0	155.5	200.2	206.3	253.74	62.7

* Not seasonally adjusted.

APPOINTMENTS

David Livingstone to join IMI Board

Mr. David W. Livingstone has been appointed to the Board of IMI as non-executive director with effect from November 1. Mr. Livingstone is deputy chairman and managing director of Albright and Wilson.

★

Mr. Geoffrey Pygall, managing director of Pickfords Removals, and Pickfords Travel Service, will be redesignated group managing director of the newly formed Pickfords Removals and Travel Group on January 1, 1979. At present these Pickfords companies are part of the Special Traffics Group of the NATIONAL FREIGHT CORPORATION. On the same date Cotrali-Pickfords, the NFC's wine shipping and freight forwarding company, will join the Special Traffics Group bringing all the NFC's freight forwarding businesses together. Group managing director Mr. J. D. Mather takes over as chairman of the Cotrali-Pickfords Board and Mr. E. C. Newton remains managing director.

★

Miss Pat Downs has been appointed a part-time CIVIL SERVICE COMMISSIONER for three years. She joined British Home Stores in 1960 where she was a personnel controller and member of the management committee. After a period with the National Health Service she became a personnel executive at F. W. Woolworth and was made director of personnel there in 1973.

★

Mr. Roy Clinning, previously finance director and secretary, has been appointed chairman of VIBROPLANT HOLDINGS, following the death of Mr. Geoffrey Pilkington. Mrs. M. A. Pilkington has become a director.

★

Mr. David Acland, who was replaced as chief executive of W. H. SMITH AND SON (HOLDINGS) in July, following a Boardroom disagreement, has now resigned from that Board. At the same time he has become a non-executive director of the BARCLAYS BANK TRUST, retaining his directorships of Blue Circle Industries and English and New York Trust. Barclays Bank Trust has also appointed **Mr. John Wood**, chief executive of McCorquodale and Company to its Board.

★

Mr. R. R. Stapleton has been appointed managing director of TI Drynamels following the retirement of Dr. F. C. J. Ruzicka, who remains with the company as deputy chairman. Mr. Stapleton joined Tube Investments in February, 1978.

Mr. R. R. Stapleton

★

Mr. Myron J. Stylianides has been appointed vice-president personnel and administration, DELOREAN MOTOR CARS, the subsidiary in Northern Ireland of Delorean Motor Company.

★

MORGAN GUARANTY TRUST COMPANY OF NEW YORK has appointed the following as vice-presidents at its London office: Mr. Patrick Fearon and Mr. Gordon Wilson, general banking division; Mr. John Sellers, funding services group; Mr. Derek Hall, international banking operations; and Mr. Roy Jacobs and Mr. Gordon Knight London operations division. All were previously assistant vice-presidents.

★

Mr. Graham Price, chief executive of the LILLESHALL COMPANY is to resign at the next annual meeting to devote his time to the development of his private family business, P.P. Tools. He will remain a non-executive director of Lilleshall.

★

Mr. Clive Steiner, who recently resigned as finance director of Pullmaflex International, is now a principal partner in CLIVE STEINER AND ASSOCIATES.

★

Mr. R. M. Reed, director and general manager, England, has been appointed managing director of HUGH BAIRD AND SONS in succession to Mr. N. A. Baird, who reaches retirement age next year. Mr. Baird continues as chairman.

★

Mr. H. M. Milling has been appointed marketing director and **Mr. R. S. Rawle**, personnel director of FAIREY ENGINEERING, a subsidiary of Fairey Holdings.

★

Mr. Malcolm Douglass, marketing director, has been appointed managing director of AUTOGUARD EXTENDED WARRANTIES. An additional company, AUTOGUARD HOLDINGS, has been formed to consolidate the investment policies of the group. Mr. Ray Lenik, former managing director will devote his full time to the Board of the new company.

★

Mr. John F. Gilmore has become president of CATALYTIC INTERNATIONAL of London, and relinquishes his position as vice-president—ventures for that company.

★

Mr. I. F. Rushbrook has been appointed to the board of OIL AND ASSOCIATED INVESTMENT TRUST.

★

Dr. Henry Kinloch has joined BRITISH SHIPBUILDERS as managing director, corporate planning.

★

Mr. Paul Rivett has been appointed to the newly-created post of group director, general distribution, of NATIONAL CARRIERS.

★

THOMSON REGIONAL NEWSPAPERS has made the following appointments of three group assistant managing directors from the beginning of next year. They are Mr. A. F. C. Montgomery, technological development and industrial relations; Mr. M. J. Seales, day-by-day operations and functional co-ordination; and Mr. D. K. Snedden, market development. From that date Mr. John S. Long, managing director of Belfast Telegraph Newspapers, will succeed Mr. Snedden as managing director of the Scotsman Publications, and Mr. Robert C. Crane, managing director of Chester Chronicle and Associated Newspapers, will become managing director of Belfast. Mr. R. Thomas Hunt, an assistant managing director of the Scotsman Publications, will replace Mr. Crane at Chester on March 1.

★

Brentnall Beard (Holdings) has formed a company to privide management services for the group. It will operate as BRENTNALL BEARD (Management Services) under the chairmanship of Mr. Nick Beard. Other members of its Board as Mr. Roger Banks (managing director), Mr. Paul Hayler and Mr. Jim Pugh.

★

Datatrol Incorporated has appointed **Mr. Peter A. R. Wright** as managing director of its new European subsidiary, DATATROL APPLIED DEVICES. He continues as director of international operations for Datatrol Incorporated. The parent concern is Applied Devices Corporation.

★

Mr. Nuccio Condulmari has been appointed president of ITEL INTERNATIONAL, succeeding Mr. Joe D. Foster, who returns to the U.S. to become president of Itel's Data Services Group and a corporate vice president of Itel Corporation.

★

Mr. Ian Cunningham, general manager, Bournemouth Transport, has been elected president of the CONFEDERATION of BRITISH ROAD PASSENGER TRANSPORT for 1978-79 in succession to Mr. Ralph Bennett. Mr. J. W. Parker and Mr. David Graham have become vice-presidents. Mr. Whittle has also been made president of the European Conference of British Bus and Coach Operators in place of Mr. Ian Buttress. Mr. Alan Westwell is now vice-president of ECBO.

★

Mr. Tony Rodgers, textile colours marketing director of the ICI organics division, has become a vice-president of the ICI subsidiary company, Canadian Industries in Montreal. Mr. Dick Speke has joined the Board of the organics division and is succeeded as marketing manager for textile colours by Mr. Jim Keaton.

★

Mr. W. F. Webb, at present motor managers of the CO-OPERATIVE INSURANCE SOCIETY, is to be assistant general manager (non-life) from October 30. On February 12, Mr. N. C. F. Allen will become deputy general manager (agency), Mr. A. H. Liddle, deputy general manager (administration); and Mr. E. Bradbury and Mr. S. F. Wood, investment managers (Stock Exchange). Mr. H. Seeley retires as chief general manager next February.

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HCC

Advertising and...!

Lintas wins £$\frac{3}{4}$m campaign for Euro elections

IN A BID to bring out the voters, the European Parliament is planning a major advertising campaign throughout the Nine in readiness for next year's EEC Parliament elections, and has appointed Lintas to handle a £750,000 U.K. campaign next spring. Different agencies are handling the election in each country. The voting will be held between June 7 and June 10 next year.

"It will be a short, highly concentrated campaign with two main objectives," says Lintas London chairman Tim Denehy. "First we will be required to explain the election, what the EEC Parliament does, and how it does it. Second, we will be required to get the voters out and achieve the highest poll possible."

Lintas billings in London this year are expected to total £25m, a 20 per cent gain on 1977.

PR agreement

THE PUBLIC Relations Consultants Association, representing 68 PR firms with a total annual fee income of £6.25m, has produced a form of agreement for members setting out recommended contractual terms.

The agreement covers duration of contracts, fees and methods of charging, disbursements and expenses, notice and termination procedures, approvals, copyright and confidentiality of information.

PRCA chairman Michael Rice says the agreement is an important development in standardising business practice among PR consultancies and should contribute to the maturity of the business.

● **THE BRITISH SHOE** Corporation has appointed The Simmons Consultancy for all advertising for Birthday Shoes, the BSC children's brand. Next year's budget is appoximately £300,000. The consultancy now handles billings approaching £1.5m.

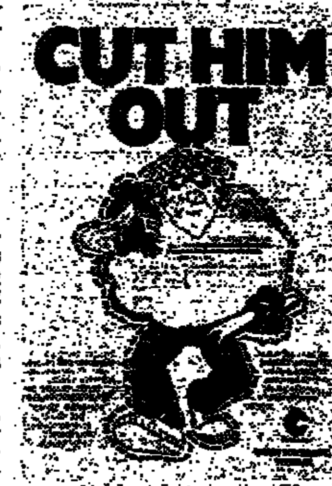
● **FOSTER TURNER** and Benson is to handle financial advertising for Prudential Assurance, taking FTB's annual billings past £2m.

● **MILTON SHARAM GOTTLIEB** is to handle Ingersoll's £300,000-plus account.

● **MURPHY CHEMICAL** is planning a £300,000 campaign via Product Promotion staring next February. The company is part of the Dalgety Group.

● **PARKER PEN** is spending £700,000 on pre-Christmas advertising and promotion, including a new TV commercial and full colour Press ads via Collett, Dickenson, Pearce. Parker's total promotional budget this year is £1.75m. An estimated 70 per cent of quality pens are bought as gifts and the weeks before Christmas are the market's peak sales period.

● **CHUBB ALARM** is launching a new campaign next month via Everetts to tackle the home burglar. At the same time



Everetts is running campaigns in trade and special interest magazines for Chubb security closed circuit TV and Chubb movement detectors. According to the agency: "The campaign is dramatic. So is burglary."

● **BRAUN UK** is spending more than £500,000 on its biggest-ever personal care ad campaign this Christmas, starting early next month.

● **VIA TBWA**, Ovaltine is continuing a £350,000 TV campaign with the third commercial in the Ovaltiney series.

Business Week | International Management | Aviation Week & Space Technology
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Electronics | E/MJ | Chemical Week
Coal Age | Power | 33 Metal Producing
Construction Contracting | Electrical Construction and Maintenance

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The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

More praise for ubiquitous Yorkie

BY MICHAEL THOMPSON-NOEL

ONCE MORE into the confectionery market, dear friends. It will come as a surprise only to those who have been holidaying on other planets that Rowntree Mackintosh has won the Institute of Marketing's top national award for 1978—partly for the run-away success of its Yorkie chocolate block, a new product which since its launch two years ago has made extraordinary strides and plunged the chocolate manufacturers into one of the most vicious, most free-spending, market wars going.

Rowntree is the winner in Category 1, for companies with a turnover of £50m-plus. The category 2 winner (£10m to £50m turnover) is International Paint Marine Coatings, the main division of the International Paint Company, itself a partly-owned subsidiary of Courtaulds. Category 3 (£2m to £10m turnover) goes to Air Anglia, a private-limited company that has created a market for operating new services regularly out of East Coast towns. Category 4 (turnover under £2m) has been won by Norlett, a private company that makes garden equipment.

Yorkie has already appropriated consumer sales of £35m. In the £120m solid milk block market, Milk Yorkie—expected to be worth £30m at consumer prices this year—has taken approximately 25 per cent compared with 35 per cent or so currently held by its main rival, Cadbury's Dairy Milk.

On a MEAL basis alone, Yorkie and Dairy Milk are each being supported at present by £1.6m worth of main media advertising. With Mars also spending heavily on its brands, the chocolate market is at present no place for the faint hearted. In fact it never is.

The point about Yorkie is that it has succeeded in a large, static market where most of the front-runners have been established for 40 years or more, where the consumer has proved exceptionally fickle in accepting new products and where margins are by no means so grand that those involved can afford mistakes.

According to Peter Kraushar: "In practice, Rowntree has sought opportunities in many different ways. Market research is carried out constantly to improve the company's feel of the various market sectors; the research and development department seeks technical ideas; the marketing department analyses gaps and holds experimental idea sessions; brain waves are sought abroad and the company's advertising agencies are periodically asked for suggestions."

The awards submission of International Paint Marine Coatings was based on the marketing of a new anti-fouling paint (to prevent corrosions and barnacles, etc.), that offers substantially improved performance giving big savings in fuel consumption for all types of vessels.

Air Anglia has improved from an annual turnover of £65,000 in 1971, when it had one DC-3 serving two routes, to £12.5m last year when it had 28 aircraft serving 20 airports. It has succeeded by reversing the typical strategy of the large carriers. Instead of expecting passengers to fit in with scheduled flights on established routes, Air Anglia has developed its flights to fit in with where and when its passengers wish to travel. In marketing terms, the airline has deliberately sought the image of a small, friendly, personal carrier that knows the names of all its passengers, relying principally on word-of-mouth recommendation and eschewing large-scale advertising.

Promotion: more than mere bribery

SALES PROMOTION is still widely thought of as at best a form of wheeler dealing, of encouraging somebody to do something they don't really want to do. At worst, sales promotion is regarded as a euphemism for bribery: "trade loaders," for example, being designed sometimes to induce a store manager to buy or display more of the promoted products than perhaps it's profitable for his store to do, or more perhaps than it's head office policy—perhaps more than is permitted by specific company instructions to the contrary.

In practice much of the best sales promotional work being done today is a million light years away from "incentive" promotion in this crude sense. Much of this best work shares instead a common purpose with media advertising in communicating a clearer understanding of what the promoted product or service has to offer, what it stands for, what sort of people it is suitable for—above all, inducing more favourable attitudes towards the product or service promoted.

Here are a few examples. Golden Oxo was launched in the late 1960s to cater for poultry and other white meats and to complement Red Oxo cubes which had dominated the stock cube market for many years but whose use was largely for cooking and gravy making for beef and other red meats. Despite some initial success, however, Golden Oxo failed to be accepted or even indeed properly understood by housewives on the scale Brooke Bond Oxo had reasonably expected in view of the fast growing consumption of such white meats, especially chicken.

The Giant Oxo Cube Competition, therefore, invited housewives to compete for one of 15,000 weekend joints using proofs of purchase of Red Oxo, or 15,000 chickens using proofs of purchase of Golden Oxo, the different prizes of course drawing attention to the different uses of Golden as opposed to Red Oxo.

A high level of interest and entry was stimulated by inviting entries on IBM computer cards (making the competition a "computition")—this being the first time a computer card had been distributed as an entry form at the point of purchase in the British grocery trade.

In turn, Have a Great Night Out with Kosset illustrates how a sales promotion can act as a training medium, in this case directed at the sales staff of carpet shops.

The Kosset brand has the largest share of the UK carpet market, having pioneered the introduction of tufted as opposed to woven carpets in Britain. The rest of the market is very fragmented, and in any store stocking Kosset the consumer is likely to be presented with a bewildering variety of colours, patterns, brand names, different methods of manufacture and qualities. All the more bewildering since carpets are purchased only at widely spaced intervals by any one household and the consumer therefore has little opportunity to gain knowledge and experience of the advantages and disadvantages of competing brands.

Most purchasers therefore rely heavily on the guidance and advice of the shop assistant, and it was to educate the assistants in the virtues of Kosset carpets that Have a Great Night Out with Kosset was launched.

Shop assistants in carpet stores or departments were invited to master five good reasons for showing the Kosset range to every member of the public expressing an interest in carpets. For example, Kosset carpets provide a wide choice of popular designs and colours and a comprehensive choice of qualities and prices.

Shop assistants willing to commit the five selling points to memory and repeat them if called upon by Kosset to do so were eligible to enter a draw to determine which 100 were to be invited to a night out with Kosset at the Talk of the Town in London, bringing a guest and with all expenses including travel and overnight hotel paid by Kosset. It was a prize of strong appeal to the typically rather poorly paid staff who man carpet stores.

ALAN TOOP argues that the best, most intelligent, sales promotion work today shares a common purpose with media advertising in communicating a clear understanding of what the product or service has to offer and what it stands for

To present the promotion the white Kosset cat, which for many years had symbolised the softness and comfort of Kosset carpets in media advertising, spawned a Kosset kitten, an attractive young woman dressed for the role in fluffy kitten's ears and tail. Of the approximately 10,000 retail carpet salesmen estimated by Kosset to be working in shops stocking Kosset carpets, 7,106 entered the promotion.

Another promotion, the Sunsilk Collection, helped introduce a repackaged range of hair preparations from Elida-Gibbs last year. The repackaging took the form of moving from a series of bottles and aerosols and other containers colour-coded by hair type to a new, uniform ivory colour—very elegant, highly distinctive and certain to improve Sunsilk's appeal so long as women knew and recognised the brand in its new changed packaging.

To assist identification, the Sunsilk Collection offered a range of desirable ivory coloured objects in a prize draw.

The problem for Parozone bleach, in 1976, was not that it was in new packaging but, on the contrary, that Parozone was so well known that nobody seemed to notice it any more! The product is heavy and potentially dangerous and the grocery trade therefore typically allocate the lowest, least visible shelves to bleaches. The Jeyes sales force understandably find it easier to tell a sales story about the newer, advertised products manufactured by Jeyes, and the housewife tends to store household bleach invisibly behind the lavatory basin pedestal or in a cupboard under a sink.

The need was to retain retailers' listing of Parozone, to reduce out of stock situations which had developed more from neglect than from conscious down-stocking, and, ideally, to justify more display space in-store.

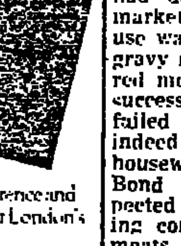
Rolls of Lively Loo Wallpaper were offered on the Parozone bottle at a self-liquidating price to postal applicants, while shelf-strips announcing the offer reinforced the pack flashes. Consumer applications for the wallpaper were few, but newspapers picked up the promotion gleefully and comments Parazone Lively Loo Wallpaper echoed and re-echoed round the grocery trade.

These and many other case histories help demonstrate that most sales promotions can only hope to repay their cost and show a profit when they woo and interest and catch the imagination of the public.

Bribing people is obviously wrong; bribing all the public all the time is simply too expensive.

Alan Toop is managing director of The Sales Machine.

Here is your 2-stage plan towards conference confidence



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The colour supplements boom on Sundays

BY DON BECKETT

ANYONE WHO buys the Sunday Times, Sunday Telegraph and Observer these days is not only relatively affluent but in danger, like Solomon Grundy, of being buried on Sunday, for the Sunday colour magazine page numbers are rising in a seasonally inverse ratio.

Recently, readers of the Sunday Telegraph and those readers of the Sunday Times not affected by the latest SOGAT blocking were able to enjoy record breaking 128-page colour magazines, while if they took the Observer too, they would have added a further 96 pages, making a weighty aggregate of 352 pages across all three titles. This is a huge—66 per cent—increase on the total paging both in October, 1975, and October, 1976, when the average three-magazine total was merely 212 pages.

The boom could have been even greater. As many tardy media buyers have discovered to their cost, the magazines are full for the rest of this year, and have been turning away pre-Christmas advertisers for several months now.

The three quality Sundays, frustrated by limited colour printing capacity and fearful of further blocking in the channels of distribution, must hope that some of this unsatisfied advertising demand will spill over into the parent newspapers, or be diverted into the early months of 1979 when issues are relatively thin. Meanwhile, those advertisers who *must* advertise before Christmas must turn to those media where there is availability and where there are short copy dates—and that means newspapers and radio, even if colour has to go by the board.

What does this heavy volume of advertising mean in terms of advertisement revenue? It is not difficult to forecast that in 1978 the three supplements should gross over £30m between them, and so will represent a medium the equivalent of radio and far larger than cinema.

The MEAL data emphasises the strength of the Sunday Times Magazine, with 54 per cent of the total market, leaving the other two titles sharing the remainder equally between them. Over the last three years the Observer has held a consistent share at 23 per cent while the Sunday Times and Telegraph have lost and gained share at the expense of one another.

We must remember, however, that in September, 1976, the Telegraph Magazine switched from the Daily to the Sunday Telegraph, with a consequent loss of circulation and ad revenue potential. The Telegraph's loss seems to have been entirely the Sunday Times' gain. But by the latest period (to June, 1978) the Telegraph Magazine was fighting back strongly and had regained a couple of percentage points.

There is another very important function of colour supplements which should not be overlooked, and that is the promotion of circulation for the parent newspaper. Viewed in these terms, the Telegraph switch must be regarded as an outstanding success. The Sunday Telegraph has increased its circulation in every half-year since the switch, from 733.00 in the first half of 1976 to 845,000 in January-June 1978, an increase of 112,000 or more than 15 per cent.

And if there was a fear that the Daily Telegraph would suffer in terms of circulation from the loss of its colour magazine on a Friday, this has not been justified. Lord Hartwell's daily, after a minor drop in July-December, 1976, has made modest gains in circulation in each subsequent period, and now stands 30,000 higher than in the first half of 1976.

In terms of readership, as measured by the National Readership Survey (JICNARS), the Telegraph's decision to say goodbye Friday, hello Sunday, has not, however, proved so rewarding. The Sunday Telegraph has put on just over 200,000 readers, but the Daily Telegraph has at the same time lost readers, despite the small rise in circulation.

We must be careful not to attribute these changes entirely to the loss of the magazine. Equally important must be the frequent disruption in the printing and the circulation of the Daily Telegraph itself, which has been a feature not only of October, 1978, but also of many other months in 1976, 1977 and 1978. Another unusual feature of the JICNARS readership figures for this publication group is that in the latest reported period (July, 1977 to June 1978), the Observer Magazine is credited with a higher readership than the Telegraph Magazine even though the Sunday Telegraph's average circulation is 150,000 greater than that of The Observer.

The very high level of demand for space in all three magazines indicates that advertisers are quite happy to advertise on Sunday when most of the shops are closed, and to invest over £500,000 each week to support this belief. Agencies, meanwhile, will continue to place as much business as possible in the three magazines, the recognised shop windows for their creative talents and a fruitful source for their creative directors' portfolios.

There have been quite a few changes over the past few years, in particular the general reduction in page format, which achieved considerable savings of print and paper. What next? In the short term I believe the next major development will come from the Observer, and we shall be hearing about it very soon. No doubt this will in turn evoke a response from both the Sunday Times and the Sunday Telegraph.

In the long term perhaps we shall see a new entry into the market because demand is obviously exceeding supply in what is a rich and still growing market. But will a new entrant need to be given away like the others, or is there an enterprising publisher who is prepared to risk a few millions in the belief that readers are at long last ready again to buy today's equivalent of Picture Post, Paris Match, or Life?

Don Beckett is a director of The Media Business.

OUR READERS ARE EASIER TO SWITCH ON

We're proud of our readers. They're intelligent, open-minded, aware. And they've got money to spend on products that reflect and enhance their very particular life style. More and more advertisers are looking for an advertising environment that mirrors the style and the quality of the product they're selling. And they're finding it in The Sunday Times. Perhaps that's why 44%* of all leisure equipment advertising in the quality press is in The Sunday Times and The Sunday Times Magazine. It isn't always easy to get in . . . but can a product like yours afford to be anywhere else?

Talk to Nicholas Hill and his sales team on 01-837 1234, or drop a line to him at The Sunday Times, PO Box 7, 200 Gray's Inn Road, London WC1X 8EZ.

THE SUNDAY TIMES
THE SUNDAY TIMES magazine

*Source: MEAL Special Analysis, Jan-Dec 77.

The colour campaign that hits home 365 days a year.

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This is because the people who turn to Yellow Pages have already made up their minds to buy.

And they refer to their local Yellow Pages directory simply to determine the availability of the product or service they happen to be interested in, its exact locality and the purchasing facilities offered.

So, as you can see, there's much to be gained from making your own company's or client's presence felt in Yellow Pages as part of your media mix.

Furthermore, a campaign in Yellow Pages, doesn't just last for the duration of your mainstream campaign.

Your name is there, right where and when the consumer needs it, in the home, 365 days a year.

And with no fewer than 64 Yellow Pages directories covering the country, there's no question of it not being cost-efficient.

To find out more about Yellow Pages ring Val Addiscott on 01-567 7610 or look us up in your own Yellow Pages directory under Advertisement Contractors.

After all can you really afford not to have your own colour campaign hitting home 365 days a year?

Yellow Pages

*Independent research conducted by R.S.G.B.

The Vital Link

LOMBARD

American brokers are waiting for 'something big'

BY DAVID LASCELLES

THE AMERICAN Administration may have been disappointed at the initial reaction of foreign exchange markets to the anti-inflation programme; it should not, however have been surprised, for it had been warned.

Few people expected the Energy Bill to make much difference when it finally emerged, weary and mauled, from Congress. After all, it had come to symbolise some creeping paralytic disease in Congress. But no one, surely, could have predicted the events that greeted—or coincided with—its enactment.

Within five days, the following happened:

● The New York stock exchange plummeted 59 points, its biggest weekly drop in history measured on the Dow Jones Index, and exceeded in percentage terms only by the crash of 1929 and the reaction to the Arab oil embargo.

● The dollar hit a new low against a basket of its 15 major trading partners' currencies. Paralleling this, gold soared close to $230 an ounce.

● The Fed's discount rate (which it charges for funds issued through its discount window) rose to a record high of 8½ per cent, and the key Fed funds rate on overnight interbank deposits inched up to 9 per cent, its highest level since 1974.

Explanations

Whether or not these calamitous developments would have been worse still had Congress risen without passing any energy bill at all, is hard to say. But it does suggest that this document (which we must now learn to call the National Energy Act) made precious little impression on the stock and money markets in the U.S. and on foreign exchange dealers abroad. Yet this was the piece of legislation that was supposed to symbolise the U.S. recognition of a fundamental problem, and its determination to do something about it.

The most widely accepted explanation for its sorry welcome was that the markets had long ago discounted any benefits it might bring. This argument is not very convincing since no one knew for sure until minutes before it happened whether there would be an energy bill or what it would contain. Even now, estimates of the energy savings it will bring about vary from the equivalent of 1m barrels a day (worth $5bn a year) to nearly three times that figure.

There are other, more convincing explanations. One is that the time and fighting spent over it had discredited whatever it might contain. After all, by the time it emerged in the dark hours of a mid-October morning, which of its backers could convincingly claim that it was a great piece of legislation, especially since it bore all the signs of a rush job to beat the session deadline? It contained few of Mr. Carter's original requests, and completely ignored the question of oil.

But even this is not the real reason.

Insofar as Wall Street is concerned, the explanation must lie in the fact that it is obsessed with the question of interest rates, to the virtual exclusion of all else.

Inadequate

The plunge in the markets the day after the Energy Bill was passed, was a direct reaction to the rise in the Fed funds rate. And in the days that succeeded, the expectation of a further rise in interest rates was so strong that the markets skidded still further, blithely ignoring the fact that Mr. Carter was ceremoniously putting his signature to the very document that dealers had earlier urgently demanded as a token of action.

A similar obsession seems to haunt the foreign exchange markets, where everyone agrees that the dollar is undervalued, but no one will say what will turn it around or when that will happen. The Wall Street Journal daily canvasses dealers for their opinions, and they make extraordinary reading.

For example: "It's just a matter of time. It's going to collapse further" (New York dealer). "I wish I could pinpoint the cause. I want to put a reason to it, but I can't" (London dealer). "We don't know where the floor is. There isn't any logic in this matter" (German banker).

Dealers do seem to agree that the National Energy Act is inadequate to bolster the dollar, though even here, one wonders whether this is not simply a manufactured argument to explain something that has no explanation.

Perhaps the most honest appraisal of Wall Street's mood came from a broker who said: "We want something big; but we don't know what."

A simple dictum for evaluating damages

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

DAMAGES FOR civil wrongs and for a breach of contract can be awarded by English courts and arbitrators in any foreign currency specified in the contract, or if the contract does not contain such a clause, in the currency "which most truly expressed the plaintiff's loss." In ruling so last week the House of Lords not only extended to damages the innovation introduced three years ago in respect of debts payable in foreign currency (*in Miliganos v George Frank [Textiles]*) but also, most refreshingly, reminded lawyers that the basic aim of the law is the restitution, as far as possible, to the wronged party of its original state, by payment of a compensation.

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If the contract failed to prescribe the currency in which such compensation ought to be calculated and paid, said Lord Wilberforce, the court must ask what currency would compensate the wronged party as nearly as possible. "It would be impossible to devise a simple rule—other than the already mentioned general rule of restitution—to cover cases on the sale of goods, contracts of employment, international carriage by sea or air," continued Lord Wilberforce, and "in any of those types of contract the terms of the individual agreement would be important." His speech, with which the other four Law Lords sitting with him agreed, indicated that arbitrators and lower courts should use their wits freely on a very wide front. Whether this new thinking will ultimately also embrace index-linking of rents, employment contracts and obligations of all sorts (a problem discussed in this column last week by my learned friend Justinian) remains to be seen.

The two appeals, which gave the House of Lords an opportunity to deal with the currency question so profoundly, were both brought by foreign shipowners: the owners of the Greek vessel, The Despina R, and by Stockholm's Rederactiebolag Svea. In both cases the House of Lords confirmed the decision of the Court of Appeal and of the arbitrators. They left reversed the contrary decisions of the High Court judges to whom the two cases were submitted by the arbitrators and who felt bound by precedents which the House of Lords has now invalidated. The previous, clearly defined but inflexible, rules of "the currency of the contract," "the plaintiff's currency," and "the breach-date sterling" are now replaced by the less well defined but eminently practical dictum of Lord Denning: "The plaintiff should be compensated for the expense or loss in the currency which most truly expresses his loss."

* * *

THE TRADE MARK saga of the European Court has probably reached its limit with the judgement handed down on October 10 in the case No. 3/78 of Centrafarm, the champion of the EEC Commission's Competition Department, against American Home Products Corporation (AHPC). As so often the matter in dispute, which causes EEC lawyers endless excitement and sleepless nights, is tranquilisers. After having won at least on points, the case which arose from their repacking Roche's Valium under the original trade mark in Germany, Centrafarm pushed further.

It bought oxazepan in Britain, where it is marketed by AHPC under the trade mark Serenid D, repacked it and sold it in the Netherlands labelled as Seresta. This is the trade mark registered and used by AHPC in the Netherlands for the same product, though provided with a slightly different taste and sold at a higher price. AHPC obtained, in August, 1977, an order from a Dutch court prohibiting Centrafarm from infringing its trade mark rights in this way. However, Centrafarm claimed that the Benelux trade mark law is overruled in this point by EEC law which admits only the essential elements of industrial property rights in restraining trade and only then if they are not merely a disguised means of partitioning the Common Market and protecting differential price levels in different member states. At its request, the Dutch court referred the dispute for a preliminary decision to the European Court, leaving aside AHPC's contention that the products "repacked" by Centrafarm were not even AHPC products.

Like the House of Lords in the currency judgment above, the European Court kicked the ball back to the trial judge, unfortunately without providing him with anything approaching the down-to-earth quality of the Denning ruling. It asks him to base his judgment not on the facts of the relationship between the parties, and of the events which gave rise to the dispute but rather on the difficult assessment of the trade mark owner's intentions. Moreover, the European Court has endorsed by its judgment the highly questionable doctrine of the EEC Commission that those who "partition" the Common Market, for example by using different trade marks for different member countries, should be seen as outlaws against whom competitors should be allowed to take the law into their own hands by infringing the trade mark.

On the question of whether EEC law allows the owner of two trade marks to prevent a competitor from repacking one of the products, replacing the trade mark by the other, the Court said it was allowed. On this point it agreed with AHPC, supported by the British Government, which argued that the right to prevent repacking under the other trade mark is connected with its function of indicating the origin of the product and therefore is an essential part of trade mark protection. The Court did not accept the contention of Centrafarm, that the essence of trade mark rights is the protection of consumers and that consumers are being misled when identical or very similar products are marketed under two different trade marks. The European Court concluded therefore that the trade mark owners should be allowed to stop such an infringement of his trade mark rights—but not always.

Trade marks

It ruled that such opposition to the repacking and renaming of the product by a third party could represent a disguised restriction of trade between member states, prohibited by the second sentence of Article 36 of the EEC Treaty, "when it is established that in adopting two different trade marks, the trade mark owner's intention was artificially to partition the market."

It may be difficult to establish that such an intention existed. But it may be equally difficult to prove that a competitor which made use of this invitation to "legal self-help" did not do so in the belief, reasonably held, that the trade mark rights were in the particular case outlawed because they had the, presumably intended, effect of partitioning the market.

I said at the beginning that the trade mark saga has reached its limit. What I meant was that matters could hardly be confused further.

Unbeaten Kris has experience to win Horris Hill Stakes

RACING

BY DOMINIC WIGAN

HENRY CECIL, who has such a wealth of two-year-old talent in his still-expanding Warren Place stable, fields the unbeaten Kris in today's Horris Hill Stakes. Can this Sharpen Up colt maintain his trainer's great run?

Not considered in quite the same league as Borzoi, Lyphard's Wish and R. B. Chesne by the champion trainer elect, Kris is, nevertheless, clearly above average. Two-length conqueror of Go Total in a maiden event at Leicester on his debut in June, Kris, a grandson of that outstanding two-year-old, Soft Angels, followed up with a three-length Folkestone success over Lucky Petina, and completed a hat-trick at York.

He could hardly have been more impressive on the Knavesmire. Always travelling easily, the powerful chestnut drew right away from Touch Boy in the closing stages of the Marston Moor Stakes to win as he pleased by eight lengths.

Although he was receiving 7 lb from the second, there is no doubting the value of the form, since Touch Boy had won three races, including a three-quarter-length success over Proper Madam in a £3,000 event at Thirsk.

Of Kris's eight opponents in to-day's group three event at Newbury, Blue Patrol and Johnson are the two who interest me most.

Blue Patrol, a strong colt by Queen's Hussar out of Shiny Tenth's half-sister Silk Stocking, attracted a good deal of favourable comment on his debut at Newmarket in July. There the Hastings-Bass colt, a first foal, stayed on well, after being a long way behind at halfway, to take third place behind Troy in a 20-runner maiden event.

The American-bred Johnson, a bay Prince John colt who cost his owner, Lady Beaverbrook, $120,000 as a yearling, has also had just one race. Seven weeks ago at York the Dick Hern-trained colt finished best of the lot when running on to be fourth of 17 behind Jeroboam in the Convivial Stakes.

Both he and Blue Patrol are sure to go well here, but I suspect that they will have to wait until next year before getting the better of the fast and considerably more experienced Kris.

Two other likely winners on an interesting mixed card—which sees Anthony of Padua attempting to complete a hat-trick in the Embassy Premier Chase qualifier—are Just a Kinsman, a stablemate of Blue Patrol, and the lightly-raced Sweet Kybo having his first race of the season.

NEWBURY

2.00—Just a Kinsman*
2.30—Overseas Admirer
3.00—Kris***
3.30—Anthony of Padua
4.00—Sweet Kybo**
4.30—Music by Hand

TV/Radio

† Indicates programmes in black and white

BBC 1

9.41 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Bagpuss. 2.00 You and Me. 2.14 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Yogi Bear. 4.25 Jackanory. 4.40 Emu's Broadcasting Company (BBC-1). 5.05 John Craven's Newsround. 5.10 Blue Peter.
5.40 News
5.55 Nationwide (London and South-East only)
6.20 Nationwide
6.55 Tomorrow's World
7.20 Top of the Pops
8.00 The Good Life
8.30 Mastermind
9.00 News
9.25 The Savage: Paul Gauguin and the Construction of Paradise: the story of his first stay in Tahiti
10.20 World Gymnastics Championships
11.10 Tonight
11.50 Weather/Regional News

All Regions as BBC-1 except at the following times:—

Wales—2.14 pm I Ysgolion. 5.55 Wales Today. 6.55 Heddiw. 11.50 News and Weather for Wales.

Scotland—9.41 and 11.30 am For Schools. 5.55 Reporting Scotland. 11.10 Thursday Night. 11.50 News and Weather for Scotland.

Northern Ireland—3.53 pm Northern Ireland News. 5.55 Scene Around Six. 11.10 The Fall and Rise of Reginald Perrin. 11.40 Jack High. 12.10 am News and Weather for Northern Ireland.

England—5.55 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School (as BBC-1 3.55 pm)
2.15 pm Racing from Newbury
4.30-4.55 Ceefax is Here.
5.15 Open University
6.50 News on 2 Headlines
6.55 When the Boat Comes In
7.45 News on 2
7.55 One Man and His Dog
†8.30 Midweek Cinema: 'Casablanca' starring Humphrey Bogart and Ingrid Bergman
10.10 My Homeland: Portrait of Hungary from Exile by Robert Vas
11.15 Late News on 2
11.30 Closedown (reading)

LONDON

9.30 am Schools Programmes. 12.00 Topper's Tales. 12.10 pm Stepping Stones. 12.30 Moneywise. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon. 2.25 The Bass Player and the Blonde. 3.20 Looks Familiar. 3.50 The Sullivans. †4.20 Children's Film Matinee: "Vote for Huggett."
5.45 News
6.00 Thames at 6
6.35 Crossroads
7.00 The Six Million Dollar Man
8.00 George and Mildred
8.30 TV Eye
9.00 The Sweeney
10.00 News
10.30 World Gymnastics
11.30 It All Goes to Show
12.00 What the Papers Say
12.15 am Close: Katherin Cornell reads a poem by Elizabeth Barrett Browning

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 2.00 Women Only. 4.20 Lassie. 4.45 The Flintstones. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Pleasures of Times Past. 7.30 Botanic Man. 10.30 Darts. 11.00 World Gymnastics Championships. 12.00 Winners and Losers. 12.30 am The Living Word.

ATV

1.20 pm ATV Newsdesk. 3.55 The ATV Thursday Picture Show. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 Format V: Dear Marie. 11.00 World Gymnastics Championships.

BORDER

†1.20 pm Border News. 3.50 The Sullivans. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 The Botanic Man. 11.30 Chopper Squad. 12.25 am Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's on Where. 4.20 The Little House on the Prairie. 5.15 Stars on Ice. 6.00 Channel News. 6.10 Lassie. 7.00 The Bionic Woman. 10.28 Channel Late News. 10.32 Sandokan. 11.00 World Gymnastics Championships. 12.00 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 4.20 The Little House on the Prairie. 5.15 The Bob Newhart Show. 6.00 Grampian Today. 7.00 Police Newsroom. 7.05 The Bionic Woman. 10.30 Sportscall. 11.00 World Gymnastic Championships. 12.00 Reflections. 12.05 am Grampian Late Night Headlines.

GRANADA

1.20 pm This Is Your Right. 4.20 Spiderman. 4.40 Westway. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 11.30 What's On.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.20 The Little House on the Prairie. 5.15 Job-line Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Happy Days. 7.00 Bionic Woman. 10.30 Gallery. 11.00 World Gymnastic Championships.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20 Seren Wib. 4.45 The Flockton Flyer. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd. 6.30-7.00 Sports Arena. 10.30-11.00 Image '78.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

1.25 pm News and Road Report. 2.00 Women Only. 4.20 Tarzan. 5.15 Batfink. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Botanic Man. 7.30 Sale of the Century. 11.30 Late Call. 11.35 Canadian Celebrity Concert—Leslie Uggams.

SOUTHERN

1.20 pm Southern News. 2.00 Women Only. 4.20 Lassie. 4.45 Beachcombers. 5.15 The Undersea Adventures of Captain Nemo. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 People Rule! 11.00 World Gymnastics Championships. 12.00 Southern News Extra. 12.10 am What the Papers Say.

TYNE TEES

9.25 am The Good Word, followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.00 Women Only. 4.20 Thursday Matinee—"The Man Who Could Talk to Kids." 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 The Botanic Man. 11.30 Emergency. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 4.18 Ulster News Headlines. 4.20 Beachcombers. 4.45 Lassie. 5.15 Cartoon. 5.20 Crossroads. 6.00 Reports. 6.25 Police Six. 6.35 Happy Days. 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 Counterpoint. 11.00 World Gymnastics Championships. 12.00 Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 4.20 The Little House on the Prairie. 5.15 Stars on Ice. 6.00 Westward Diary. 7.00 The Bionic Woman. 10.28 Westward Late News. 10.30 Preview West. 11.00 World Gymnastics Championships. 12.00 The Electric Theatre Show (Barbra Streisand). 12.25 am Faith for Life.

YORKSHIRE

1.20 pm Calendar News. 4.20 Jabberjaw. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Botanic Man. 11.30 In Concert: Madeline Bell

RADIO 1 247m

(S) Stereophonic broadcast.
‡ Medium Wave.

5.00 am As Radio 2. 7.02 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Paul Gambaccini. 7.30 Country Club (S) (Joins Radio 2). 10.02 John Peel (S). 12.00-2.02 am As Radio 2.

RADIO 2 1,500m and VHF

5.00 am News Summary. 5.02 Tony Brandon (S), including 6.15 Pause for Thought. 7.32 Terry Wogan (S), including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S), including 1.45 Sports Desk. 2.30 David Hamilton (S), including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The Impressionists. 10.30 Star Sound Extra. 11.02 Peter Clayton introduces Round Midnight, including 12.00 News. 2.00-2.02 am News Summary.

RADIO 3 464m, Stereo & VHF

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Fauré (S). 9.50 Vienna Wind Quintet (S). 10.30 Piano Recital (S). 11.25 Netherlands Radio Philharmonic Orchestra—Concert: Part 1 (S). 12.05 pm Interval Reading. 12.10 Concert: Part 2. 1.00 News. 1.05 Manchester Midday Concert (S). 2.00 "Maskarade": Comic opera in three acts by Nielsen. Acts 1 and 2 (S). 3.30 Words (talk). 3.35 "Maskarade": Act 3 (S). 4.40 Harpsichord Recital (S). 5.45 Homeward Bound (S). 6.30 News. 6.35 At Home: The Sound of the Harmonica (S). 7.30 "King Lear," by Shakespeare with Donald Wolfit. 10.50 The Trio-Sonata: Illustrated talk by Christopher Hogwood (S). 11.45 News. 11.50-11.55 Tonight's Schubert Song (S).

RADIO 4

434m, 330m, 285m and VHF

6.00 am News Briefing. 6.10 Farming Today. 6.30 Today: Magazine, including 6.45 Prayer for the Day. 7.00 and 8.00 Today's News. 7.30 and 8.30 News Headlines. 7.45 Thought for the Day. 8.45 Sketches from a Hunter's Album. 9.00 News. 9.05 These You Have Loved. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Analysis. 11.50 First Impression. 12.00 News. 12.02 pm You and Yours. 12.27 I'm Sorry I Haven't A Clue (S). 12.55 Weather: programme news. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.05 The Train Now Arriving . . . A look at commuters. 4.35 Story Time. 5.00 PM: News magazine. 5.55 Weather, programme news. 6.00 News. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. [illegible] Menuhin Cond[illegible] 8.45 A Talent to Amuse (J. W. Lambert entertains). 9.05 Menuhin Conducts Elgar: Part 2 (S). 10.00 Weather. 10.05 The World Tonight. 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 News.

BBC Radio London

206m and 94.9 VHF

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul 78. 10.03 Late Night London. 12.00-Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

5.00 am Morning Music. 6.00 AM. Non-stop news, information, travel, sport. 10.00 Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale's 3 O'clock Call. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

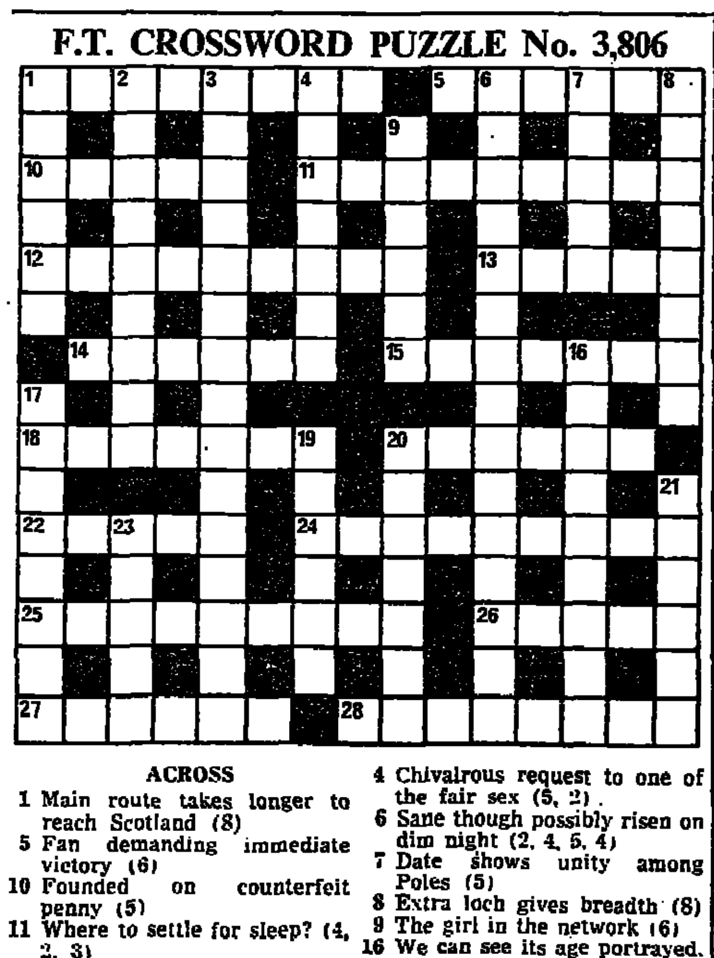
Capital Radio

194m and 95.8 VHF

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Your Mother Wouldn't Like It With Nicky Horne (S). 11.00 Tony Myatt's Late Show [illegible] Johnson's Night

صورة عن الأصل

F.T. CROSSWORD PUZZLE No. 3,806



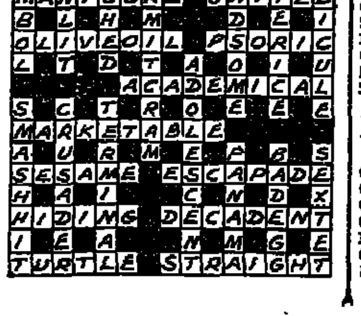
ACROSS

1 Main route takes longer to reach Scotland (8)
5 Fan demanding immediate victory (6)
10 Founded on counterfeit penny (5)
11 Where to settle for sleep? (4, 2, 3)
12 New hearts could be what is needed (3, 6)
13 Industrial city found in less enviable circumstances (5)
14 Turkish ambassador finds the Spanish church with ease (6)
15 By these elderly husbands may find their hands tied (7)
18 Opening for a pious wish (7)
20 Convincing fellow joins the company (6)
22 A bird can get you down (5)
24 Workable break-up of Arctic Alp (9)
25 Self-restrained in Europe (9)
26 Ireland upset about the North farther in (5)
27 Absorbing parasite (6)
28 Not on the level—the allowance is about to disappear (8)

DOWN

1 How to get articles of clothing through customs (6)
2 One who goes round a short period as a preacher (9)
3 Early Russian puts shepherds on their guard (3, 2, 3, 7)
4 Chivalrous request to one of the fair sex (5, 2)
6 Sane though possibly risen on dim night (2, 4, 5, 4)
7 Date shows unity among Poles (5)
8 Extra loch gives breadth (8)
9 The girl in the network (6)
16 We can see its age portrayed. (9)
17 Crimes of receivers (8)
19 A small boy can be a thief (6)
20 Singer finds worker in expensive French surroundings (7)
21 Wine suits a university college to a T (6)
23 Strange doing for a warragal (5)

Solution to Puzzle No. 3,805



ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the Box Office.

OPERA & BALLET

COLISEUM. Credit cards 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA Ton't., Sat. & Wed. next 7.30 The Tales of Hoffmann. Tomor. & Tue. 7.00 Don Carlos. "Could easily turn into a cult . . . the thinking man's grand opera." Ev. Standard. 104 balcony seats avail. for all perfs. from 10.00 on day of perf.

COVENT GARDEN. CC. 240 1066. (Gardencharge Credit Cards 836 6903.) THE ROYAL BALLET Ton't. 7.30 The Sleeping Beauty. Tomor. & Mon. 7.30 Serenade, A Month in the Country, Facade. Sat. 7.30 Mayerling. THE ROYAL OPERA Wed. 7.30 Cosi fan tutte. 65 Amphi seats avail. for all perfs. from 10 am on day of perf.

SADLER'S WELLS THEATRE. Rosebery Ave., EC1. 837 1672. ENGLISH MUSIC THEATRE Final perfs. Ton't. & Sat. 7.30 Henze's vaudeville LA CUBANA. Tomor. 7.30 Rossini's CINDERELLA. "A brilliant show of musical fireworks," Tms. Cheap seats avail. day of performance.

THEATRES

ADELPHI THEATRE. CC. 01-836 7611. OPENING NOVEMBER 9 Reduced Price Previews Oct. 31 to Nov. 8 at 7.30. Also Sat. Nov. 4 at 4.00 pm. BEYOND THE RAINBOW An Enchanting New Musical BOX OFFICE NOW OPEN Credit Card Bookings 01-836 7611.

ALBERY. 836 3878. CC bkgs. 836 1071-3 from 8.30 am. Party rates Mon., Tues., Wed. and Fri. 7.45 pm. Thurs. and Sat. 4.30 and 8.00. A THOUSAND TIMES WELCOME IS LIONEL BART'S OLIVER! "MIRACULOUS MUSICAL." Fin. Times. with ROY HUDD and GILLIAN BURNS. NOW BOOKING FOR CHRISTMAS AND THROUGH 1979.

ALDWYCH. 836 6404. Info. 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. Tonight 7.30 Middleton and Rowley's THE CHANGELING. "Sets the pulses skipping." Times. With AS YOU LIKE IT (next perf. Fri.). RSC also at THE WAREHOUSE (see under W).

ALMOST FREE THEATRE. Tel. 485 6224. Lunchtime THE BALLAD OF WILFRED II by Frank Marcus. Directed by Paul Marcus. Mon.-Sat. 1.15 pm

ALMOST FREE THEATRE. 9-19 Rupert Street, W1. Tel. 485 6224. MUSICIANS PLAY THEATRE at 8.30 pm. 26 Oct.-11 Nov. EPISODES. The Sean O'Kane Ensemble at 11.00 pm. Sideshow by Martin Raphael (late Debris).

AMBASSADORS. CC. 01-836 1171. Evgs. 8.00. Tues. 2.45. Sat. 5.00 & 8.00 JAMES BOLAM "A superb performance." FT

HAYMARKET. 01-930 9832. Evgs. 8.00. Mats. Wed. 2.30. Sats. 4.30 and 8.00. GERALDINE McEWAN CLIVE FRANCIS NIGEL STOCK PETER BOWLES PAUL HARDWICK and FENELLA FIELDING LOOK AFTER LULU by Noel Coward with GARY RAYMOND

HER MAJESTY'S. CC. 01-930 6606. Prevs. evngs. 7.30. (Mat. Sat. at 3.00) Opens Oct. 31 at 7.00. BAR MITZVAH BOY THE NEW MUSICAL

KING'S ROAD THEATRE. 01-352 7488. Mon. to Thurs. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW DON'T DREAM IT. SEE IT.

LYRIC THEATRE. CC. 01-437 3686. Evs. 8.00. Thurs. 3.00. Sat. 5.00, 8.30. JOAN PLOWRIGHT FRANK FINLAY FILUMENA by Eduardo de Filippo Directed by FRANCO ZEFFERELLI "TOTAL TRIUMPH." Ev. News. "AN EVENT TO TREASURE." D. Mir. "MAY IT FILL THE LYRIC FOR A HUNDRED YEARS." Sunday Times.

MAYFAIR. 629 3036. Evs. 8.00. Sat. 5.30 and 8.30. Wed. Mats. 3.00. WELSH NATIONAL THEATRE CO. DYLAN THOMAS'S UNDER MILK WOOD "A delight." Gdn. Join us Nov. 9 for the 25th Anniversary Party. Show-Buffet-Wine £10.

NATIONAL THEATRE. 928 2252. OLIVIER (open stage) Today 2.45 (low price mat.). Tonight 7.30 THE DOUBLE DEALER by Congreve. Tomor. 7.30 Macbeth.

LYTTELTON (proscenium stage). Tonight & Tomorrow 7.45 THE PHILANDERER by Shaw.

COTTESLOE (small auditorium). Tomorrow 8 THE WORLD TURNED UPSIDE DOWN by Keith Dewhurst from Christopher Hill's book (perhaps not suitable for children).

Many excellent cheap seats all 3 theatres day of perf. Car park. Restaurant 928 2033. Credit card bookings 928 3052.

OLD VIC. 928 7616. PROSPECT AT THE OLD VIC Margaret Courtenay, Anthony Quayle in THE RIVALS Sheridan's comedy, with James Aubrey, Isla Blair, Kenneth Gilbert, Carol Gillies, Matthew Guinness, Mel Martin, Trevor Martin, Christopher Neame. "The funniest Mrs Malaprop I have seen." The Guardian. "Mr. Quayle's Sir Anthony—a wonderful performance." The Times. Today, Fri. 7.30. Sat. 2.30. Anthony Quayle as KING LEAR returns Sat. 7.30.

OPEN SPACE. 387 6969. BECKETT DIRECTS BECKETT. Krapp's Last Tape and Endgame. Tues.-Sun. 8 pm.

damages

.etter from Germany—1

The Ice Break revisited by MAX LOPPERT

The Ice Break in German ecomes *Wenn das Eis bricht*. *he Ice Break* at Kiel became 1 my view, an altogether tronger and more interesting pera than it had seemed during those first performances at ovent Garden last year. Among erman opera companies of iedium size, Kiel is one of the iost forward-looking. Its reperory for this season shows an ntelligent balance between ovelty and popular fare (new roductions of Beethoven's *eonore*, the Britten-Gay *Beggar's Opera*, and Dukas' *Ariane t Barbe-Bleue* alongside revivals *f Rosenkavalier*, *Cav* and *Pag*, *on Giovanni*, and *Tristan*, the ist-listed already described on iis page by Elizabeth Forbes). peretta is generously provided. he reliance on guest performers 1 bulk out the permanent roster : apparently less heavy than in ome of the larger German

Business book reviews appear on Pages 10 & 11

ouses. Altogether, Kiel seemed n apt place for the second-ever roduction of Tippett's fourth pera; it had opened in June of iis year, and this month was eceiving its first revival.

A well-considered review of ie London première by John Varrack (in the August 1977 umber of *Opera*) describes *The e Break* as "a swift-moving ork, and a laconic one." At ovent Garden it seemed to me nth a spindly and self-indulgent ne—a schema of contemporary ramatic cliché laid out in a bretto of sustained hamfistedess of diction (should it not e hamtonguedness?), unfortinate even by Tippett's own andards, and in just about the ast fertile music the composer as produced for the dramatic age. It was a reaction of conderable and unhappy disppointment; even at the time owever, I felt strongly that art of my disappointment could e blamed on the cluttering and bscuring effect of Sam Vanamaker's production and of alph Koltai's glamorously ittering and complicated set, ith its ceaseless sliding and tond-fro-ing, its wide dispersal of age focus, and its unwillingess to permit any central conast of intimacy or stillness.

It will be interesting to see hether this view survives the oyal Opera revival next year. was certainly lent conviction y the Kiel staging, which in its iean dramatic outlines and precision of aim unfolded the opera in a series of strikingly direct stage pictures, rather than near-suffocating it in a riot of elegant interior and exterior decoration. The single set of Hubert Popp was still a large, metal-girdered, composite urban landscape—airport, city, and hospital in its various transformations, and capable of supporting many levels of activity, from the floor to the flies. But the producer, Heinz Lukas-Kindermann, had contained and stripped down, had rigorously patterned, the kinds of activity so that dramatic progress was always clear, and so that the activity in the orchestral pit was encouraged to assume its dominant role. The domestic and interior scenes (Nadia's and Hannah's rooms, the hospital hall) slid forward to occupy the major part of the stage; they successfully functioned as cases within the barren city grid.

As a result, one was encouraged to listen as well as to watch; and what one heard both supported and amplified Warrack's words. The music of *The Ice Break* states, contrasts, piles up; its method is clipped—no lingering characterisation devices, no spun-out developments—and its change of tone often abrupt to the point of rudeness; but, given room to breathe by the production, and given the precise, committed musical realisation under the Kiel *Generalmusikdirektor*, Walter Gillessen, those musical statements seemed suddenly to hold a store of fierce dramatic energy. Not just the music for Nadia and the black nurse Hannah, the most obviously sympathetic; but also the splinters and fractures, rimmed with percussion and shafted with angry brass fanfare, of the "public" scenes—notably the hustle and bustle of the opening and the quick outbursts of the race riot—which before I had found sadly arid and schematic.

For this much I was intensely grateful; and for a somewhat negative reason also—Tippett in German translation disguises the cloth-eared American slang, the duff tones of voice, the creaky diction of the libretto. One or two features about the production were questionable. It was a perceptive idea to mask all the players except the principals; yet not until the Act 2 riot were black masks in evidence as well as white, and so the racial conflict of the plot seemed of diminished importance, and Hannah and Olympion exotic immigrants. The curtain-fall of the second act contradicted, to no obviously gainful end, the stage direction that "Perhaps Lev . . . turns to Hannah"; the two crept off in different directions.

In general, it was an admirably sure performance. Particularly admirable was the consistently thoughtful characterising of their roles by the cast, as thoughtful as those roles would allow. (Still not very much, despite pretty playing by Geeske Hof-Helmers, in the case of flighty young Gayle.) Two young Americans, Viola Gilliam as Hannah and James Wagner as Olympion, made a touchingly handsome black couple, she at least as good as her Covent Garden predecessor, he far more dashing and fleet of voice than his. The most remarkable achievement was the rounding out of the mouldering, inarticulately suffering young Yuri. Richard Salter, a young English baritone who is currently a Kiel company member, played him in angry black leather, sporting the full punk regalia of badges and greased hair, and with an angry intensity of gesture and expression beneath whose surface pained sensitivity was clearly visible. Mr. Salter is a clean, compact singer, and a resourceful actor. He should go far.

Viola Gilliam and James Wagner in 'The Ice Break'

The second in this German weekend of contemporary opera was Aribert Reimann's *Lear* at Düsseldorf—a new opera "nach Shakespeare" that must have a separate notice to itself. To Hamburg, then, for the third—the German first performance of György Ligeti's *Le Grand Macabre*. This was another world deuxième: the première had been at Stockholm earlier this year, and Dominic Gill has written about it at length in these columns. This Hamburg Staatsoper production by Gilbert Deflo in designs by Ekkehard Grübler, added weight, by its sheer perversity, to my firm belief that in general it is the duty of the instigators of new works to perform them as simply and clearly, as faithfully, as possible, so that the work itself is seen to be on show; and we get to know it without the interference of intermediaries.

Breughelland, the setting of the original Michel de Ghelderode play and of Ligeti's operatic adaptation, is a conscious evocation of Flanders against which the comedy of death's disruption can make its bizarre, hilarious, and sometimes strangely moving effect. At Hamburg, Breughelland became that easiest, most pusillanimous of lets-find-a-metaphor-for-the-human-condition settings, the Circus. Contrasts of tone between and within the scenes, and many of the original grotesque comic sleights of hand, were thus denied. The work was treated as a pretty-pretty romp—which it undoubtedly is—and its serious implications were ignored. Producers!

Still, within its limiting framework, the Hamburg performance was expert—for the most part expertly sung and acted (notable contributions by Dieter Weller as Nekrotzar, Deborah Browne as Mescalina, Hildegard Uhrmacher as the coloratura Chief of Secret Police, and the English countertenor Kevin Smith as Prince Go-Go), and expertly conducted by Elgar Howarth. Even on its own terms, it was an account of the work sufficient to make clear what a dazzling, scintillating, and beautiful score it is, what an extraordinary success. My colleague called it a "brilliant, exotic musical box": I share all his enthusiasm for the riotous yet finely organised orchestral colours, the true lyrical impulse in forming the love music, the impish wit, the warming comic humanity of the whole. Now that the composer has trimmed down the spoken dialogue and slightly shortened the final scene, the command of comic timing seems complete. Ligeti seems to have revived singlehanded the possibility of comic opera—both of operatic comedy and *opera-comique*—when recently it seemed an extinct species. The ENO plans a production next year. I can hardly wait.

Old Vic

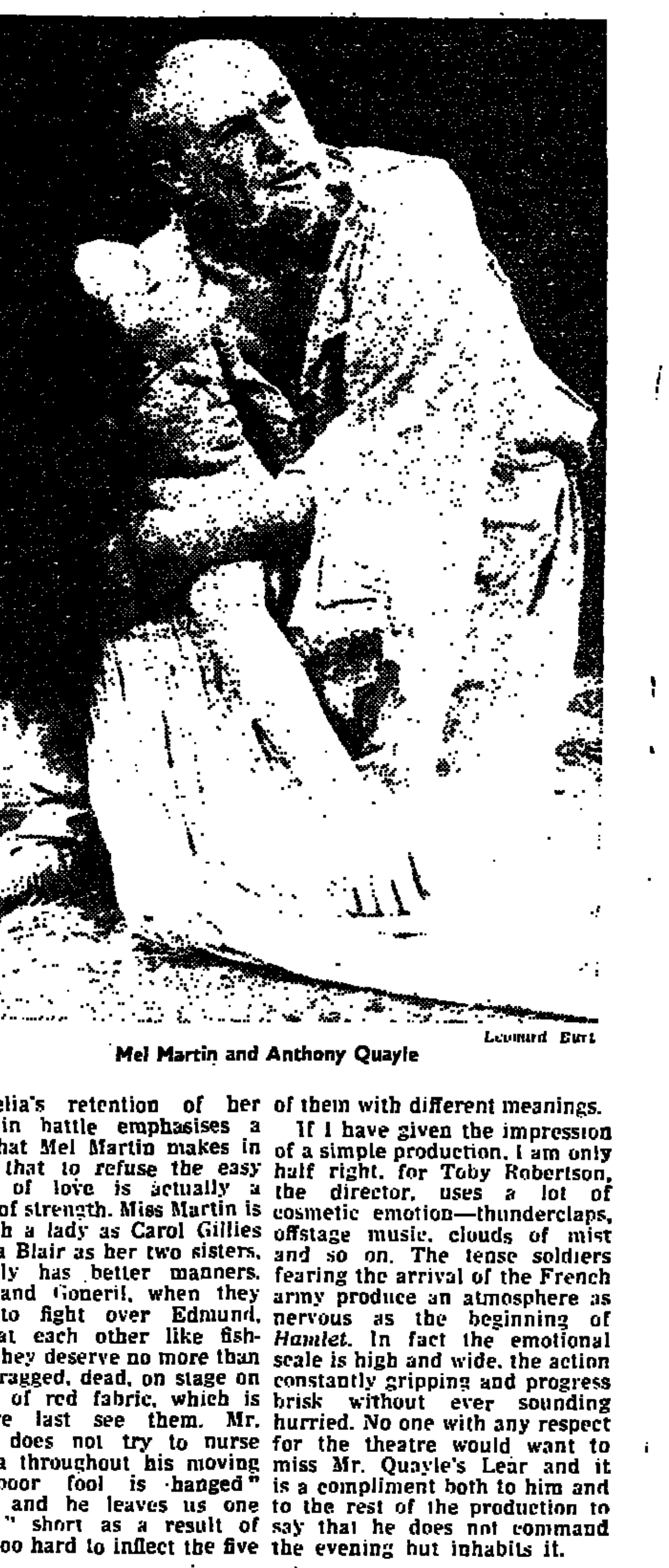
King Lear by B. A. YOUNG

Lear's kingdom here is misty and indefinite, both in time and place. The stage is overgrown with autumn grass, piles of straw lie in the corners, but there is nothing specific about the location, save when it is—nominally—at Dover. As for the costumes, they span the centuries from prehistory to the Belle Epoque. All they have to do is express the characters of those wearing them.

Such a production is useful to the players, who must work at their personalities without help from received notions of behaviour. Anthony Quayle's Lear looks like the Emperor Francis Joseph, but there is nothing about him of the Austrian court. He wears rough woollen clothes even at the height of his power, and his arrogance is like the arrogance of an ancient Scottish chief, out for instant obedience without frills. "Let me not be mad," quietly delivered, is an instruction to the pagan gods whom he so often invokes. When he is mad, he is a mad strong man, and when he is "fourscore and upward" he is an old strong man. It is not in his nature to ask for pity.

The Dukes and Earls, especially the French ones, wear rich clothes with ruffs round their necks, though everyone in this production except the three ladies sheds his raiment as life becomes more quarrelsome. James Aubrey as Edgar wears a cloak as inky as Hamlet's until he is betrayed by Edmund (Christopher Neame), who shows a strong streak of punk throughout the evening. Then as Poor Tom he wears next to nothing but dried blood, and when he has his last fight with his half-brother he is still almost naked, but the two of them have painted their bodies like boys from *Lord of the Flies*. The Fool (Matthew Guinness) has a white face and red nose and a coxcomb. As for Goneril, Regan and Cordelia, they make their first appearance in elaborate long gowns with elaborate hats atop, and the hats are really all they sacrifice even in the field.

To devote so much space to the costumes is almost to give a round-up of the playing. Mr. Neame's Edmund is punk to his fingertips, though Mr. Aubrey's Edgar, in both his personalities, is not so simple as his clothes. He is in fact moving and sensitive. Ralph Michael as their father is sternly aristocratic, even after the horrific loss of his eyes (the act shielded only by the body of the perpetrator).



Leonard Burt

Mel Martin and Anthony Quayle

Cordelia's retention of her finery in battle emphasises a point that Mel Martin makes in Act 1, that to refuse the easy avowal of love is actually a matter of strength. Miss Martin is as tough a lady as Carol Gillies and Isla Blair as her two sisters, she only has better manners. Regan and Goneril, when they begin to fight over Edmund, shout at each other like fishwives; they deserve no more than to be dragged, dead, on stage on lengths of red fabric, which is how we last see them. Mr. Quayle does not try to nurse Cordelia throughout his moving "My poor fool is hanged" speech, and he leaves us one "Never" short as a result of trying too hard to inflect the five of them with different meanings.

If I have given the impression of a simple production, I am only half right, for Toby Robertson, the director, uses a lot of cosmetic emotion—thunderclaps, offstage music, clouds of mist and so on. The tense soldiers fearing the arrival of the French army produce an atmosphere as nervous as the beginning of *Hamlet*. In fact the emotional scale is high and wide, the action constantly gripping and progress brisk without ever sounding hurried. No one with any respect for the theatre would want to miss Mr. Quayle's Lear and it is a compliment both to him and to the rest of the production to say that he does not command the evening but inhabits it.

American Television

Back to the written word

by FRANK LIPSIUS

True to expectation, the real ontest in the American teleision networks' new season has een for second place, with ABC ir ahead of either NBC or CBS ir the lead. Coming into this eason with such a solid hold on rst place, ABC required little iange to maintain its success; id what tinkering it did (like dding the series, *Mork and indy*, a spin-off of *Happy Days*, ith extra-terrestrial Mork aired with Mindy, the recordiop salesgirl, merely capitalised 1 established winners.

Under the circumstances, inovation has had to come from ie other two networks, which eed a profusion of new ideas, ir every failure is quickly hisked from the schedule, to e replaced by the next victim. BC started the new season econd to ABC with a schedule ireastically dubbed "wall to all movies," interspersed with iorts features like the World eries in baseball. NBC's real irust is expected in mid-season, hen Fred Silverman's $50m ivestment in new programmes arts to surface in February, 979.

For its part, CBS has turned an extraordinary reliance on ie written word, reversing the ecent trend toward literary oin-offs of video properties. esides trying to capitalise on imiliar fictional titles to attract ewers' attention, the network as decided to turn a weekly iagazine into a weekly teleision series. The magazine is *eople*, which might be called a all-to-wall *Life*, taking the idea a weekly photographic magane indoors to capture the itimate moments of the world's ewsmakers. It is almost an itright advertising vehicle for s subjects, who consent to the itrusion on their private lives 1 maintain their visibility and stablish an identity outside the oles they are known for.

Like the magazine, the teleision programme is a product f the Time-Life conglomerate which must have enjoyed a iinute's satisfaction in being iurted by the medium blamed ir undermining the popularity f *Life* and its ilk). Translating ie magazine to television, *eople* relies on a former Miss merica, Phyllis George, as its resenter to punctuate the eniusiasm for such behind-theenes and intimate segments as iodel Cheryl Tiegs being photoraphed for an abortive *Cosmoolitan* magazine cover, Senator dward Kennedy's cocktail party efore the start of a tennis tourament, and a late-night visit to tudio 54, the disco known for its udeness to unrecognised custoiers.

Curiously, the show has been ne of the lowest rated primeime series, primarily, I suspect, ecause the illusion of intimacy 5 lost when obtrusive television ameras arrive and when the egment is an obvious plug for ome other event in some other iedium. In addition, though teleision is considered a passive xperience for the audience, it 5 probably more demanding ian this particular magazine, which prides itself on textual material no more substantial than glorified photo captions. Readers would probably leave the magazine around for an unoccupied moment's perusal and, judging by its ratings, would not bother to build an evening's entertainment around it.

CBS's attack on the American television ratings features David Janssen (left) in 'The Word,' Anthony Perkins in 'Les Miserables' and Richard Dysart in 'First You Cry'

Television's more conventional use of written material was the subject of a recent preview weekend in which CBS invited critics from around the country to see how it translated the written word to the flickering screen. The shows will be specials, most of them taking up the major portion of an evening but also, following the latest in programming innovation, running serially over the course of a week.

The most serious of the programmes previewed was a two-hour re-creation of Betty Rollin's story of her own mastectomy, called *First You Cry*. Sensitively played by top actors like Richard Dysart and Richard Crenna, the show also reveals new depths in the acting of Mary Tyler Moore, in the role of Miss Rollin. Unfortunately, her story, sad as it is, provides little drama, and what there is tends to be confined to the uninspiring settings of doctors' offices, elegant living rooms and hospital beds. The impression is unintentionally conveyed that the well-to-do suffer more than the poor because they should be less vulnerable.

In addition, the show has something of a crusading air, like a dramatized warning to women about breast cancer. The subject is not new; its prominence, since the wives of both a president and vice-president had mastectomies at about the same time, was probably necessary for CBS even to consider doing the Rollin story on television. But now the emphasis should be on caution since—despite Miss Rollin's experience to the contrary—unnecessary operations are themselves a menace in America. Miss Rollin's recuperation does make the valuable point, though, that the subject's bravery hides a large measure of suffering and self-consciousness, which make her less a heroine than a victim.

Christmas time audiences will be regaled with the sad plight of Jean Valjean in a three-hour adaptation of Victor Hugo's *Les Miserables* scheduled for December 27. It is a vivid, energetic depiction of nineteenth century French destitution and cruelty, clearly focused on the confrontation between the criminal, played by Richard Jordan, and his police-inspector tormentor, played by Anthony Perkins. Filmed on location in the Dordogne and in England, it works hard to bring Hugo to the level of Dickens as another favourite author now known to the young for the filmed version of the classic.

Much less successful is the adaptation of Erma Bombeck's best-selling book, *The Grass is Always Greener Over the Septic Tank* into a television comedy starring Carol Burnett and Charles Grodin. Grodin does not bother to try to imitate animated reactions, a distinct disadvantage when Miss Burnett has such an exaggerated manner and mobile face. There is the funny premise of a woman trying to cordon off a bit of the kitchen to use as an office, while the dinner burns and the kids are screaming over some inane problem. But the family soon moves to the suburbs with their unfunny cliches about growing crabgrass, meeting meddlesome neighbours and stuffing the dog into the back of the station wagon.

One of the longer programmes will be an eight-hour adaptation of Irving Wallace's *The Word* to be shown over four nights of a week in November. David Janssen as the hero comes across as an appropriately hard-boiled American advertising executive. His being drawn into the arcane Wallace plot, however, does not make too much sense, taking him through some lovely, unnoticed European scenery to trace down the origins of a newly discovered Christian gospel. The truncated version shown to the Press did not tie up all the loose ends, but even supposing they were tied up, they seemed hardly capable of absorbing the attention of the hero, especially when he has left an alcoholic teen-age daughter and a major financial deal waiting for him in America.

The opening scenes had a freshness of verisimilitude to them, even if they were at the upper end of the economic scale. These took place in luxurious but mundane settings and gave the promise of showing something of interest about how American industry works and what it does to people. Once Janssen flies off to Europe under the spell of the convincing gospel promoter, played with bug-eyed hocus pocus by James Whitmore, reason is left behind.

Single programmes like this represent a terrific financial burden to a network, since they do not anticipate the possibility of establishing characters and getting continued series out of them. CBS is obviously fighting ABC in earnest, trying to knock them out week by week with something new, but the likelihood of success with this batch of specials seems woefully small.

ICA

Science Fictions

by MICHAEL COVENEY

Shared Experience are the sunshine face of improvisatory theatre. Many people admired their recent four-play version of *Bleak House* more than I did, but there is no denying their technical fluidity and comic zest. With *Arabian Nights* they proved that fast narrative theatre is best done unhampered by props or scenery and that, as a rule, the most effective instrument of stage technology is the actor himself.

I find the group slightly too winsome for my taste, but there is a strong sense in their latest show of five actors (with five chairs) taking large risks with an audience, reducing us finally to a state of molten acquiescence.

The piece is slight verging on the infantile, tracking the events on board a space ship travelling around in search of a planet to land on. The characters are palindromic variations of the actors' names: thus Raad Rawi plays the ship's captain, Iwar Daar; Pamela Ferris the demonstrative alienologist Sirrefa Le Map; Ruth Seglow the radio transmitter Wolges H-Tur; Anthony Naylor the camp technician with a cleft palate Rolyan Ynohtna; and Sam Cox Xoc Mas, a hapless gofer in the style of Michael Crawford's Frank Spencer.

Shared Experience veterans Miss Ferris and Mr. Rawi have got the style down to a fine art, instinctively gauging how much of their own personalities as thespian hosts may intrude on their portrayals. The others have variable success and, although Mike Alfreds has directed with his usual generosity of spirit and invention, the main weakness is that you feel the show could have stopped and started at any point in the thin story line and no one would really have noticed.

W. H. Smith Literary Award

The £2,500 W. H. Smith Literary Award prize has gone to Patrick Leith Fermor, 63, for his travel-autobiography *A Time of Gifts*, published last year, which described—44 years after the event—a walk he took as an 18-year-old from Holland to Constantinople.

Elizabeth Hall

Hugh Wood by MAX LOPPERT

The Lindsay Quartet gave the first performance of Hugh Wood's Third String Quartet at the Bath Festival earlier this year and brought it to London for the first time on Tuesday. It is an unbroken, one-movement work made up of clearly defined sections. Some are very short, some quite lengthy, developing and repeating material during their progress in a manner that is both unexpected and convincing. All the sections are illuminated with string writing beautifully "heard" and detailed; the sum is a work of quite unusual poetic intensity, that keeps one intent on its course from first note to last.

At various junctures in the score the composer has affixed lines of poetry (there was no glossary in Susan Bradshaw's programme note, but I recognised the Donne quotations). Their sequence seems to imply an awakening, or re-awakening, of the soul from emotional dullness and despair—"Tis the yeares midnight, and it is the dayes"—to a newfound joy and vitality. The music, though in no obvious, programmatic fashion, seems to mirror such a movement. The work begins in slow, sustained notes, bleakly tinctured with harmonics, and ends in radiant Beethovenian trilling and leaping quavers. (It shows no unusual percipience to recognise the influence of the late Beethoven quartets on the work: for Mr. Wood has often written about them, with wisdom and love). Along the way, there are strange outbursts of bird-like melodic cheeping and pecking, and undergrowths of rustling semiquavers that support tentative lyrical outcroppings.

It is, as I say, an intensely poetic composition—each event seems to be added as a new image—and an intensely lyrical one, though the lyricism speaks out only gradually. It strikes me as quite one of the best things this composer has given us; he works slowly, and his opus is not large, but his music is always worth waiting for. I hope the Lindsay players repeat it often, so that familiarity can add detail to instinctive appreciation. (It was received with unusual warmth by a decent-sized audience). The quartet came between the two most famous quintets for clarinet and string quartet, the Brahms and the Mozart. In the former, the imprecisely tuned playing of Janet Hilton, the loose ensemble and baggy phrasing of the whole were a surprise, and a sore disappointment.

Arts Council moves to improve stage design

The Arts Council is to investigate ways of maintaining and even improving the quality of stage design in drama, opera and ballet. The Council is particularly anxious to encourage producers and directors in the companies to commission more established young artists, and not always rely on stage designers.

An informal group of representatives of the Council's art, drama and music panels will meet to discuss ways in which the Council could encourage companies to commission artists and the possibilities of establishing suitable bursaries to help meet the costs. The training committee's designers working group would also be involved in these discussions.

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Thursday October 26 1978

We have been here before

NO BRITISH observer can afford to sneer at President Carter and his advisers in their present discomfiture; our own mistakes have been so large and so persistent that we can only be understanding, albeit sometimes impatient, when this much larger and stronger economic power repeats some of them.

At the moment President Carter's whole approach—its moral conviction, obstinate courage, and economic analysis—recall the rise and fall of Mr. Edward Heath so irresistibly that it is worth analysing with some care not only how far they are similar but how far they differ. The U.S. economy is at the peak of a boom fed by excessive credit; the President is seeking to prolong that boom by suppressing the natural response of prices through a mixture of administrative restraints, by promises to protect real incomes, and by financial incentives for export and investment.

Most productive

In certain respects, though, the U.S. economy is incomparably better placed than was the UK economy in 1973, and the President's policies have not quite ignored the lessons of our history. The U.S. economy remains one of the most productive on earth. Such an economy could be expected to respond far more quickly and positively to appropriate management than our own has done. In addition the President does not believe in deficit financing, and has plans (though the real wage guarantee could put such plans at risk) to halve the Federal deficit next year. He is also prepared to use import competition — where competitive imports are still available—to check U.S. price increases.

However, the continuing decline of the dollar, and the increasingly probable response in the prices of oil and materials as well as manufactures in dollar terms, threaten to undermine the whole of the present strategy. The U.S. programme is vulnerable to an "unfortunate" worsening in the terms of trade, although the much smaller foreign trade sector has made the danger far less obvious than it was in the UK four years ago. An attempt to guarantee real incomes in these circumstances can turn into a machine for accelerating price increases; and if the cost is met from Federal funds, it could also push the money supply out of control. The potential tragedy of the U.S. situation is that no-one in authority gives any sign of understanding the causes of deficit and depreciation which are at the heart of the problem.

The basic truth is that a nation can only live consistently above its means through borrowing; and if credit creation remains excessive, deficit and depreciation will persist. As in the UK, the explosive growth of domestic credit has been masked as money has leaked out through the deficit. The fact that the U.S. has not had to go cap in hand to its creditors may have helped to conceal the fact that heavy intervention by foreign central banks—which has greatly exceeded the merchandise deficit—is borrowing.

Heavy intervention has not arrested the decline of the dollar, but it has had two dangerous effects. First, by transforming excess dollars into excessive monetary growth in stronger currency countries, it has internationalised the result of U.S. policy errors. Secondly, by providing a market for U.S. official debt, it has greatly delayed the rise in U.S. interest rates which might otherwise have checked credit growth.

To suggest that America's true friends can best help the President by withholding all but minimal support for the dollar may look like a heartless paradox; but a crisis of this kind can perhaps only be resolved by the kind of moment of truth we suffered two years ago. The impact effect would appear disastrous—a further sharp fall in the already undervalued dollar, and further rises in interest rates.

However, given a realistic response in Washington, the resolution could also be swift. The U.S. boom is nearing its natural end, and the response of the balance of payments could be sharp; the export opportunities now facing U.S. industry should ensure against any sharp fall in activity. In a crisis, the President might be able to carry the necessary measures—hard, specific cuts in spending, determined monetary targets (which would be meaningful in the absence of heavy intervention) and a clear warning that higher competitiveness entails a temporary fall in real incomes.

Exchange markets and interest rates, as we have found, would soon respond. It is probably now too late to hope for any "soft landing" for the inflated U.S. economy; but it is not too late to prevent the dollar problem from becoming an even bigger danger to the rest of the world.

The lesson of Phase Three

THE TUC leaders have been pursuing two main aims in their latest round of talks with Ministers about a possible new agreement covering pay, prices and inflation. They are trying to persuade the Government to relax its application of the 5 per cent limit on pay settlements at least to the extent of treating the figure of 5 per cent as a guideline or norm rather than a ceiling. And they want the Government to take tougher action on price increases as a substitute, in part or in total, for the present sanctions policy including the blacklisting of employers.

For their part, the TUC leaders appear prepared to make some form of recommendation to union negotiators around the country to take into account companies' ability to absorb cost increases. In other words, without weakening their opposition to formal pay limits, they are prepared to advise union members that responsible collective bargaining should be based upon the containment of unit labour costs.

Over-bought

If pay settlements were in fact to be based upon that principle, then many of this country's problems would be solved. The latest estimates of the movement of unit labour costs for the economy as a whole which happened to be published in the Department of Employment *Gazette* yesterday, show, however, an increase of around 12 per cent in the 12 months to the second quarter of this year, a period which more or less spanned Phase 3 of the Government's pay policy. These figures are subject to a number of qualifications. But the fact remains that unit labour costs rose half as fast again during Phase 3 as in Phase 2—and about twice as fast as those of our principal international trade competitors.

Output per person employed, in the meantime, is recorded as having risen at an annual rate of about 2-2½ per cent during Phases 1 and 2 and perhaps by as much as 3½ per cent in the 12 months to last summer. These estimates have to be treated with even greater caution at this stage. Some of the apparent acceleration, moreover, can be attributed to North Sea oil: in the manufacturing sector productivity is reckoned to have risen by only 2-2½ per cent during Phase 3. But the underlying message is clear enough. The growth in productivity which is normally associated with the initial stages of economic recovery has been bought many times over.

No substitute

It has been bought at the expense of the normal cyclical recovery in profit margins, as the Confederation of British Industry has pointed out. In these circumstances, it would be wholly misguided to place greater emphasis upon price controls, as the TUC is suggesting. For tougher action on prices (assuming always that the necessary legislation could be steered through Parliament) would sooner or later mean less investment. In any case, price sanctions are appropriate only as a check on the monopoly power of employers, and not as a counter-weight to the monopoly power of unions.

However attractive politically it may be to the Government to be able to present a new understanding with the TUC when Parliament resumes next week, there can be no substitute for realism. Mr. Callaghan has committed himself to a continued drive for wage restraint, and there are some signs of realism here and there on the shop floor. If unit labour costs are not contained—if pay rises are not limited to what can be afforded from productivity—then by one route or another the alternative can only be increased unemployment.

Prospects of the Anglo-American initiative succeeding are rapidly getting worse

Rhodesia: why bloodshed will increase

BY MARTIN DICKSON

PROSPECTS FOR an internationally negotiated settlement in Rhodesia grow more and more remote as each week gives a new twist to the spiral of violence in Rhodesia.

More than a year after Britain and the U.S. launched their own settlement proposals, the negotiating options have virtually run out and the Anglo-American plan is looking increasingly irrelevant. As the fighting rapidly intensifies, it assumes a momentum of its own.

This month the Rhodesians broke a new psychological barrier with their raids into Zambia against the camps of Mr. Joshua Nkomo, co-leader of the Patriotic Front guerrilla movement. Until then, Zambians had somehow assumed they were immune from attacks of such intensity, largely by virtue of President Kaunda's standing in the western world.

Last month saw the shooting down of an Air Rhodesia Viscount by Mr. Nkomo's guerrillas and the subsequent massacre of survivors of the crash. White Rhodesians were horrified and Mr. Ian Smith, who only two weeks before had been holding secret talks with Nkomo, denounced him and arrested his party members inside the country.

After each major incident, British and U.S. officials ritually speak of "letting the dust settle" or "letting tempers cool" before they launch a fresh initiative to bring the two sides together. The dust never may settle as counter-attack follows attack.

Two new, complicating factors add to the immensity—many would now say impossibility—of the task facing Britain and the U.S. The five African "front line states" which the UK and U.S. have relied on to exert pressure on the Patriotic Front are now divided among themselves, friction being especially bad between Zambia and Tanzania.

Second, these same front line states are growing more and more disillusioned with the western approach to Rhodesia. They regard the decision to grant Mr. Smith a U.S. entry visa with angry incomprehension. They feel the West has moved towards Mr. Smith in agreeing with him during the Washington visit that an all-party conference could be held "without preconditions." in other words apparently outside the Anglo-American proposals which the frontline states accepted long ago as a negotiating framework.

But if the front line states and the Patriotic Front now see Britain and the U.S. tilting towards the white Rhodesians, Mr. Smith and his colleagues have long regarded Dr. David Owen, the British Foreign Secretary, and Mr. Cyrus Vance, the U.S. Secretary of State, as biased towards the Patriotic Front. With their motives suspect all round, how can Britain and the U.S. hope to retain the middle ground? As it is, Britain and the U.S. seem no nearer convening a round table conference on Rhodesia than they were in September last year when they launched the Anglo-American proposals. Since then, with Mr. Smith's apparent movement towards majority rule, the struggle has in part become a struggle for power among blacks.

In April this year the Patriotic Front, led by Mr. Nkomo and Mr. Robert Mugabe, publicly agreed to attend a round table meeting on the basis of the Anglo-American proposals. But until last week Mr. Smith and his colleagues in the separate "internal" settlement agreement — Bishop Muzorewa, the Rev. Sithole and Chief Chirau—had refused to attend, trying instead to canvass support for their own agreement.

During their visit to Washington, the Salisbury partners changed their tune, largely, it seems, for tactical reasons and in an attempt to convince western public opinion that they were reasonable men. While Rhodesian planes bombed Patriotic Front camps in Zambia and Mozambique (making it difficult for an outraged Mr. Nkomo to attend talks), Mr. Smith and his colleagues said they would go to the conference table provided there were no preconditions.

But the Patriotic Front side says that any conference must take the Anglo-American proposals as its starting point, and President Nyerere of Tanzania goes so far as to state that Mr. Smith must first accept the basic principles of the Anglo-American plan.

These opposing viewpoints reflect an underlying realisation on both sides, that an all-party conference is not an end in itself and there is no point going to the negotiating table unless there is some prospect of agreement. No one wants to return to the eight weeks of abortive haggling and haranguing which characterised the 1976 Geneva conference. It is abundantly clear to all parties that even if a round table conference were to materialise, it would stand virtually no chance of success. The gulf between them is far too wide to bridge, at least in a public forum.

The Salisbury partners are determined to press ahead with their internal agreement, with Mr. Smith apparently still wanting to woo Mr. Nkomo to join in, hoping that the tide of opinion in the West will eventually turn in the interim Government's favour.

In an attempt to find some common ground between the two sides, Britain and the U.S. have put forward over the past few months three alternative modifications to the Anglo-American plan. But they seem likely to remain academic, satisfying no one.

The most publicised of the three options would replace pre-independence elections with a constitutional referendum — an idea seemingly designed to attract Mr. Nkomo, the West's preferred candidate for the leadership of Zimbabwe, but a man with limited electoral support. This would surely be opposed by most other parties.

All three options propose parity in the pre-independence Governing Council between the Patriotic Front and the Salisbury partners which again seems certain to be opposed on both sides, with each demanding a majority.

Against this unpromising background, why do Britain and the U.S. insist on pursuing an all-party conference? As Dr. Owen said yesterday, once the negotiating process is stopped, it would be very difficult to revive it. Besides, if the protagonists can be brought together in a quiet spot they might recoil from the abyss into which they all are heading. Yet such a reconciliation would require acts of extraordinary statesmanship, and statesmanship is a quality which has been singularly lacking on all sides in the Rhodesian dispute.

If, as seems probable, a Rhodesian settlement is not to come through an all-party conference, two alternatives remain: a bitter fight to the end, or a secret deal between members of the internal settlement and members of the Patriotic Front.

A fight to the finish would be a slow process unless outside powers intervened. As last week's raids into Zambia and Mozambique demonstrated, the Rhodesian military remain a most effective force. Many whites may not be prepared to fight for a black Government against the Patriotic Front, but the Salisbury administration is now beginning to call up Africans in their place. For their part, the Patriotic Front guerrillas may be causing disruption across wide tracts of Rhodesia, but they are not near a military victory. To achieve that, they would have to become a conventional army fighting a conventional war against what is at present Salisbury's superior firepower.

At the same time, no one can rule out the possibility of a major re-alignment of political forces. Virtually the only combination that seems impossible is a rapprochement between Mr. Smith and Mr. Mugabe, given their great antipathy, although a Nkomo-Muzorewa alliance also seems unlikely because they, too, loathe each other.

Strongest speculation still surrounds the possibility of Mr. Nkomo quitting his fragile alliance with Mr. Mugabe and joining Mr. Smith, although it does not seem possible in the foreseeable future. It would split the front-line states (already divided over Mr. Nkomo's secret talks with Mr. Smith in August) and also the Organisation of African Unity.

Stronger support

Nor would it necessarily end the war. Mr. Mugabe, who has been getting much stronger support in recent weeks from Presidents Nyerere of Tanzania and Machel of Mozambique, would doubtless fight on.

Moreover, the sight of Mr. Nkomo, from the minority Ndebele-Kalanga tribal grouping, at the head of an administration in Salisbury could conceivably push Bishop Muzorewa, from the Shona majority, towards Mr. Mugabe, also a Shona.

Whether Rhodesia is to go down in a fight to the finish or whether there are secret discussions, much will depend on how events unfold in Zambia, the base for Mr. Nkomo's operations and, arguably, the pivotal front line state. Zambia was shocked by last week's Rhodesian raids, which have severely embarrassed President Kaunda in the run-up to elections and have demonstrated how limited is his room for manoeuvre. The raids came hard on the heels of his decision to use the rail links through Rhodesia to import desperately needed fertiliser and to export Zambia's main foreign currency earner, copper. For the moment, a significant proportion of Zambian foreign trade is at the mercy of Rhodesia.

The Rhodesians having broken the psychological barrier against attacks on Zambia, more raids must surely follow as the southern African rainy season begins and as guerrilla infiltration into Rhodesia mounts.

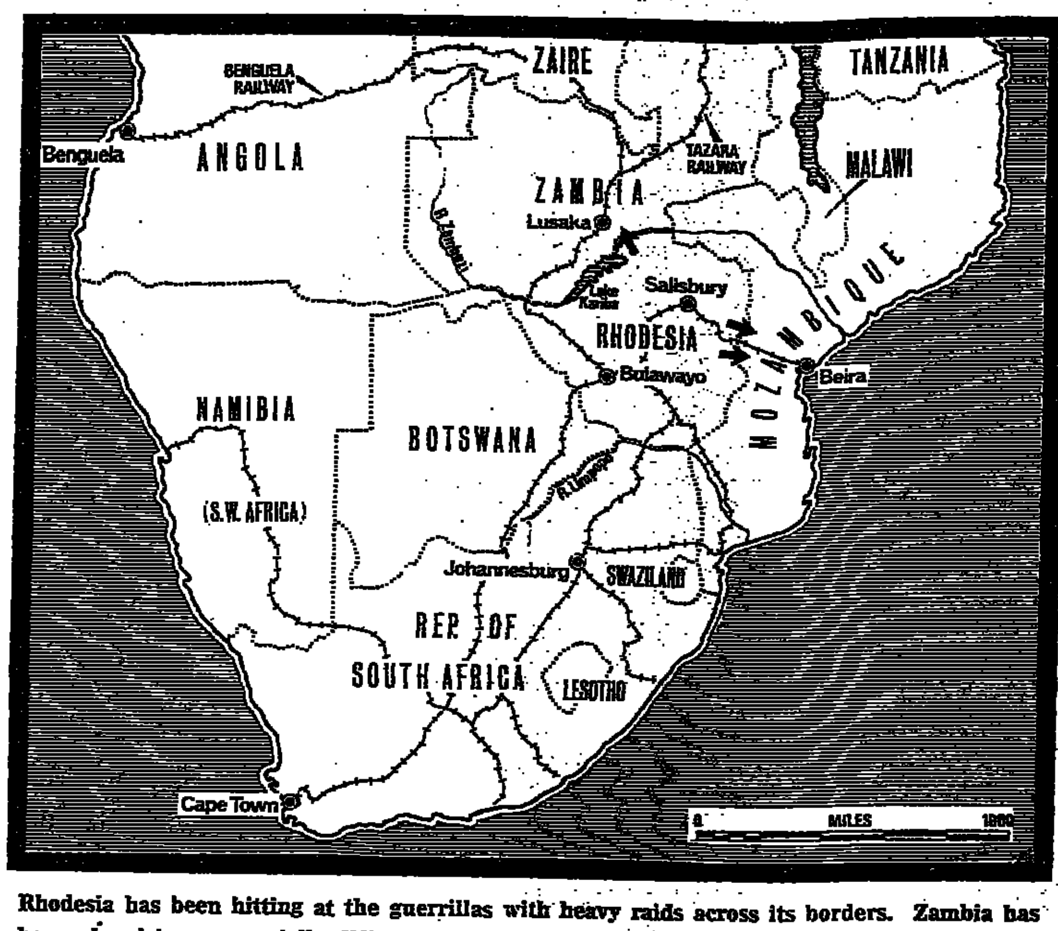
It is still too early to say with any certainty what the effects of these attacks will be, but at the moment Zambians are feeling bitter towards the West and are talking in terms of a long and protracted struggle against the Rhodesians.

The possibility that President Kaunda might invite in the Cubans and Soviets to defend his country remains a very real fear in the West. Set against this, however, the President is also known to be reluctant to do so, and there are doubts whether the Cubans wish to become involved with the Zambian leader, questioning his revolutionary credentials.

Cuban involvement apart, officials in Lusaka are talking in terms of a longer-term shift of alliances away from the West which, it is argued, could be in danger of becoming aligned with a right-wing Government in Salisbury, be it black or white. Is this all bluff? Zambia, after all, is dependent on Western aid and will continue to be so until the world market price of copper improves, which it is unlikely to do before the 1980s.

President Kaunda may see his country involved in a "long haul" struggle against Rhodesia, but will his seriously ailing economy stand this? Will public opinion? Will his army, which will inevitably be embarrassed and humiliated by repeated Rhodesian raids?

There can be no answers to these questions, but if Zambians are not prepared to accept a "long haul," pressure will surely be exerted on Mr. Nkomo to attend fresh talks with Mr. Smith. For the moment, however, the prospect of any negotiations, in public or secret, appear slim and all that can be said with any confidence about the coming months is that they will be increasingly bloody.



Rhodesia has been hitting at the guerrillas with heavy raids across its borders. Zambia has been placed in an especially difficult position, since it has become dependent on the railway south through Rhodesia for crucial imports and exports.

MEN AND MATTERS

Oilmen's diet all at sea

Oil companies pride themselves on the splendid food which they provide for workers who brave the rugged conditions of the North Sea. Steaks, scampi, smoked salmon and lashings of cream cakes are the order of the day. On the rigs crews may complain of noise and cramped living quarters. But no one has anything but praise for the food. Indeed, in Aberdeen the oilmen are said to be instantly recognisable by their pot-bellies and muscular legs.

In Norway a catering expert has now suggested the companies may be overdoing things. "There is waste and gluttony to a degree that cannot be compared with any other kind of mass catering on land or sea," says Ingvald Fjaereide, catering consultant to a Norwegian shipping firm. "Thousands could be well fed every day with the food that goes into oil platform dustbins."

Moreover the diet is "directly harmful, dominated by fatty, rich, sweet food," he says. "I have seen blatant examples of people who in just a month have swollen up unrecognisably. Normal fare includes cakes and ice cream at all hours of the day."

"Oh yes, you have a very full diet," admitted British Petroleum cheerfully. "But we don't pump food down anyone." BP thought the good food was only reasonable in view of the gruelling 12 hours on, 12 hours off shifts, and the insistence on no alcohol on the production rigs.

"Dryness" unfortunately encouraged fizzy drinks and chocolate biscuits. "We have a number of people who are consuming more calories than they are expending, and we do see it as a long term problem.

"There are people who have been working out there for a couple of years who are definitely overweight. We are going to be there for 20 years so it's something we have to get right."

Meanwhile BP has started new negotiations with the men—to make regular medical checks compulsory.

And so to bed

Tales of human endurance and industrial pulling together are always welcome in these troubled days. So it is with pleasure that I quote the Churchillian thoughts of Leslie J. Hounslow, sales director of Wood Brothers, a Hertfordshire furniture company.

"When the chips are down," he said, "British workers, if properly led, will always respond and produce their best efforts. British techniques and fine quality are still the envy of the world, and we are proud to have once again proved it can be done." "A fine British achievement," chimed Herbert Wood, the managing director.

The object of all this rhetoric and craftsmanlike attention? A £4,000 bed for a Saudi businessman, produced in six weeks.

John Field, managing director of Town and Country Bedding, which arranged for the bed's delivery to Jeddah, tells me the four-poster 9 ft by 10 ft bed is to share a bedroom 50 ft square with a fish pond. "The bedroom," he assures me, "is becoming much more of a prestige part of the home."

Changing lanes

What is Lee Iacocca going to do now that he is no longer president of Ford Motor Company? Indeed, what is the former heir apparent to Henry Ford II doing now? The question is prompted by a short news item in the latest edition of Mr. Rupert Murdoch's New York Magazine. This reports that Iacocca will shortly be joining Chrysler Corporation as president and that his lawyers are currently trying to negotiate away a clause in his severance agreement with Ford preventing him from working for another car company.

Iacocca's sudden departure from the presidency in July was accompanied by his snarls that "Henry just does not want strong guys around" and by speculation that it was part of Henry II's plan to ensure that his son, Henry III, eventually takes over the dynastic wheel.

Chrysler dismisses the New York magazine story as "mere speculation." It reminds questioners of chairman John J. Riccardo's statement in July that the top management team is sufficiently strong to need no new addition. Ford is even less forthcoming, answering all queries: "Mr. Iacocca cannot be reached for comment."

However, Ford go on to stress that although no longer president, Mr. Iacocca is still a company employee. Apparently he is occupying an office formerly used by Ernest Breech after his sacking from the presidency by Henry Ford II in 1960.

Ford spokesmen were unable to cast any light on Iacocca's current responsibilities. They merely state that Iacocca will be with the company "for another year."

Blackballed club

Studio 54, the New York discotheque notorious for turning down any potential customer who fails to reach its exacting standards of fame and fashion, itself faced the ignominy of probably having its plans for the London Studio 54 turned down by the GLC planners next week.

So, in a thoughtful cosmetic operation, it has temporarily withdrawn its planning application for the New Victoria cinema, the somewhat unlikely site chosen for its British base.

Ian Schrager, joint founder of Studio 54 with Steve Rubell 18 months ago, explained to me yesterday that the success of the New York disco meant they had not been able to give the London venture sufficient attention. As a result the anti-lobby had got in with some spiky propaganda suggesting that Studio 54 would bring undesirable noise and general ill-repute to Victoria.

Now, in classic 1970s style, a public relations firm has been engaged to counter such fears. The company is Daniel J. Edelman, which has useful experience in that it helped persuade the U.S. that Concorde landings were not that ear-splitting.

Amalgam

Canada once thought it had everything going for it, according to Peter Peterson, chairman of the U.S. Council of the International Chamber of Commerce, which recently held its congress in Disney World, Florida. He has a little after-dinner story about it.

The Canadians believed they would have the benefit of American efficiency, French culture, and the British system of Government. But things turned out differently. They ended up, Mr. Peterson suggests, with American culture, the French system of Government, and British efficiency.

Yule tide

Seen on a City notice board: "There will be no staff Christmas party this year, owing to the staff Christmas party last year."

Observer

DIRECTOR
JOSEPH ROWNTREE MEMORIAL TRUST

THE TRUST is a charity which exists to improve the conditions in which people live. It does this by initiating social action, by research and by experiment. Through these activities social policy and practice are influenced.

THE DIRECTOR is the Trustees' chief executive officer. His post, at York, will become vacant when Mr. Lewis Waddilove, C.B.E., retires in the coming year. The Trust's disposable income is now about £1,000,000 per annum.

THE TRUSTEES believe the vacancy will challenge men and women from a wide variety of callings in the professions, in business, in the public services and elsewhere.

IT DEMANDS someone with the capacity to sustain for up to two decades a creative contribution consistent with the origins of the Trust; someone, moreover, who can make that contribution largely by stimulating, directing, co-ordinating and managing the work of others.

CANDIDATES with adequate experience are likely to be over 30. An appropriate five-figure salary will be offered.

Those interested may write either directly to the Trustees, or in confidence to the Consultant advising the Trust. (The Consultant will reveal nothing to anyone without leave, to be sought after preliminary interviewing). In either case letters should, please, be concise and contain adequate factual information about the writer and his or her record. Letters should be addressed either to:—

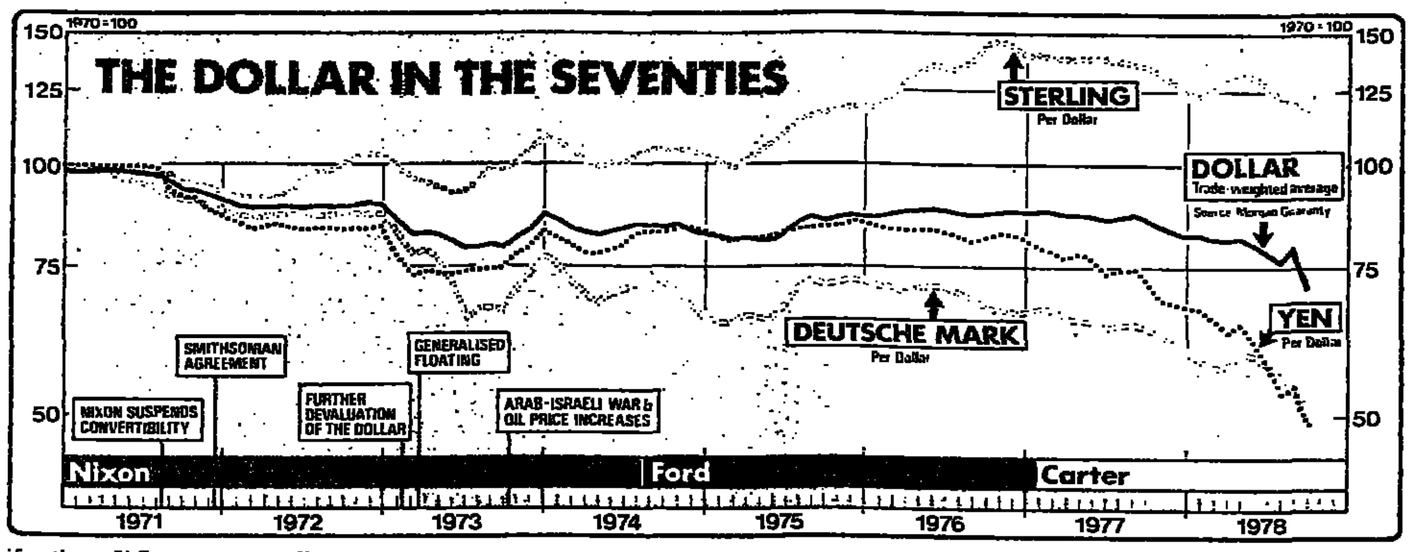
The Chairman, Joseph Rowntree Memorial Trust, Beverley House, Shipton Road, York YO3 6RB,

or to the Consultant:— M. J. Graham-Jones, The Faculties Partnership, 177 Vauxhall Bridge Road, London SW1V 1ER.

daily no tits

ECONOMIC VIEWPOINT

The Bourbonism of President Carter



HEN THE foreign exchange arkets have already given the umbs down signal to the Car- r package, criticism from com- entators is a trifle superfluous. ie's main immediate fear is at central banks, such as those Germany and Japan, will buy o many dollars in a vain tempt to cover up what is hap- ning, thus jeopardising the ability of their own curren- :s—a stability which is an set to the world.

Of course one feared the orst as soon as the Carter oadcast was billed as one of e most important he would er make. This was all to orem- iscent of the description of his iergy policy as the moral juivalent of war. If anything bases democratic statesman- ip it is the attribution of urious profundity to tempts by government to cor- ct the consequences of their n short-sighted interventions. ie energy policy was simply partial and cumbersome tempt to put right the conse- ences of earlier political 'dling with oil prices. The flation package is a much ore primitive venture based the sincerely held view that have inflation because prices e.

For all his promise to bring new blood, President Carter is surrounded himself with rned, economic Bourbons who ve learnt nothing and for- tten nothing from their own vboning of the 1960s, the sco of the Nixon wage and ice controls, or from British perience. Indeed, I found ashington earlier this year cannily reminiscent of ndon at the height of the ath boom of 1972. As in itain, one political reason for not putting on the monetary and fiscal brakes very much earlier was the populist dislike of allowing interest rates to rise—thereby making certain that a much larger rise in rates would take place a little while later.

But even more important, was a deep theoretical belief, held among Whitehall economists in 1972 and among Carter advisers since the Inauguration, that government financial policy could not possibly fuel inflation because unemployment was still above some pre-determined target level. Therefore, by a process of elimination union and business leaders were in both countries made the scapegoat for an inflation which they had no power to cause.

But there is less excuse for this error in the U.S. because the union sector accounts for a minority even of the male adult working force; and by no stretch of the imagination has the U.S. inflation been due to wage push. Indeed labour market analysts have been *surprised* by the stability of wage increases, at around 7 per cent, at a time of tightening labour markets.

The U.S. Administration is now trying to bribe trade unionists to stick with the 7 per cent by offering those who do a Government subsidy for any increase in the cost of living above that figure. There is a lot to be said for the right kind of wage indexation, freely negotiated. But this attempt to guarantee real wages by Government fiat is certain to impede the changes in relative wages between different groups of workers required for genuine full employment. Moreover if anything goes wrong with the all too fallible calculations upon which it is based—for instance if the U.S. cannot afford guaranteed real wages, even on average—the consequences for the economy as a whole could be disastrous.

One is reminded of the Phase Three thresholds offered by Mr. Heath in 1973 just before the oil price explosion, which aggravated the wage explosion of the following year. But at least the Heath thresholds were not an extra charge on the budget deficit, which casts a doubt on the promises to cut it down.

Another disturbingly reminiscent element is the hypocrisy. The Carter economic advisers to whom I spoke were quite sincere about controlling wages; but they did not believe that profit margins, which were if anything too low, contributed to inflation. They themselves stressed that price guidelines were cosmetic and political only. But for this purpose an attempted strait-jacket will be put on the U.S. corporate sector relating individual price increases to the often irrelevant experience of the past two years. All these new rigidities are added to the economy in the name of full employment. It is better for our sanity to laugh than to cry and to remember that those who ignore the lessons of history are doomed to repeat it.

Dollar mysteries

IMPORTANT disagreements have emerged within the monetarist camp which should be brought into the open. "Unity in the face of the enemy" is a doctrine purely for generals or martinet poltical leaders.

To begin with, no one is actually sure *exactly* why the dollar has fallen so much. Professor Herbert Stein, a former chairman of the Council of Economic Advisers, reviews all the plausible candidates and *finds them wanting**. The whole U.S. trade deficit from the beginning of 1974 until now amounts to about $60bn—superficially large, but only 10 to 15 per cent of total overseas dollar holdings.

The U.S. money supply has itself risen in recent years less than that of countries whose currencies have appreciated against the dollar. But to leave it here is a little too simple. The normal rate of monetary growth consistent with exchange rate stability varies from country to country. But what is puzzling is that there has been at most a very modest visible acceleration in U.S. monetary growth relative to its own past.

The most plausible explanation is the growing desire of overseas portfolio holders—both private holders and central banks—to diversify out of dollars. The dollar has to fall enough to persuade some people who were originally thinking of selling dollars to buy them instead, in sufficient quantity to offset, not merely the trade deficit, but the sales of those "small" central banks which are diversifying into other currencies and of the private investors doing the same.

But why is there this new desire to diversify out of dollars? Probably because in the aftermath of the oil price increases, and the ensuing increase in dollar denominated oil payments, many countries and institutions found they were holding more dollars than they really wanted in the long term. To have persuaded them to stay in dollars at last year's exchange rate, they would have had to be convinced that U.S. monetary growth would actually decline in the face of political pressures the other way.

And knowing the identity of the Carter advisers, can we blame dollar holders if they doubted this?

Another monetarist argument of great relevance to the U.S. economic debate is whether inflation is affected by the amount of slack or "overheating" in the economy.

This is denied in the September Federal Reserve Bank of St. Louis Review. The claim there, is that changes in monetary growth have a direct effect on the price level. They also have a separate, but purely temporary effect on output and employment (virtually exhausted within four years). No improvement in statistical fit is said to be provided by introducing unemployment or unused capacity in the explanatory equations. The practical moral is that the Fed should gradually reduce monetary growth without worrying about whether the U.S. economy is suffering from "overheating".

The disadvantage of the St. Louis approach is that it is too "black box." It yields no obvious insight into the forces at work. But its advantage is that it does not rely on estimates of the margins of unused capacity or the changing means of the unemployment figures which are highly controversial. The "constant inflation rate of unemployment" (CIRU), as Friedman's "natural rate" has been renamed, is itself subject to frequent shifts as a result of structural factors—such as demographic movements, or changes in minimum wages and unemployment compensation. For instance the Carter expansion of 1977-78 was based on the belief that CIRU was about 5½ per cent (a level still slightly below the actual unemployment rate). If it were instead to be actually 6½ per cent the U.S. would have had a quite unnecessary period of accelerating inflation with the high probability of losing all the employment gains anyway.

In his own contribution to the *Contemporary Economic Problems** volume, the editor, Professor William Fellner—spiritually the youngest of the U.S. economic elders—does the statistical work to establish that the U.S. is much nearer to its capacity ceiling than the Carter Administration supposes. And even more important, he contests the equations purporting to show that, for instance, the U.S. would require say four years of abnormally high unemployment (say 1 per cent above the CIRU) to get inflation down by 2 per cent. These equations are based on a period when the U.S. authorities were expected to resort to fiscal and monetary expansion at the first sign of unemployment. So people were—rightly—slow to adjust inflationary expectations in the face of tight money policies which they did not expect to see sustained. With a credible long term commitment to gradually declining monetary targets, policy would work more quickly and with smaller transitional unemployment costs. And credibility is a matter of confidence and politics.

* *Both published by American Enterprise Institute for Public Policy Research, 1150 Seventeenth Street, NW Washington DC 20036.*

Samuel Brittan

Letters to the Editor

The building industry

om the Director General, National Council of Building terial Producers

Sir,—I cannot allow to pass challenged Malcolm Ruther- d's suggestion (October 20) it there is a mammoth boom the building industry. I preciate that it is likely that tivity by small builders and oonlighters has increased sig- ificantly this year and that this owth is unlikely to be fully corded in the official statistics construction output but I see justification for talking of a om and shortages of materials. me sections of the building aterials industry have ex- rienced a welcome increase in mand this year but there is ll considerable spare capacity the industry.

The latest state of trade sur- by the National Federation Building Trades Employers and that only a few builders d experienced delays in obtain- materials or components. ese problems are mostly con- ed to the early procurement specialist lines and there is evidence that, even if there s to be a sustained rise in mand building, cost would be shed up by widespread rtages of materials.

was surprised at Mr. Ruther- d's view that "Building itain's Future" does not make lical recommendations since s Labour Party policy docu- nt suggested that a number leading companies in the ilding materials industry uld be nationalised.

Hermon.
Store Street, WC1.

Inundated with bureaucracy

om Mr. D. Brown.

Sir. — Malcolm Rutherford conomic growth by moonlight, tober 20) highlights the rious state of affairs in the ilding industry.

According to the Department Employment in September, was claimed that 188,000 build- workers were unemployed, 000 of these being craftsmen. t the Master Builders' presi- nt recently stated that: "Our lustry faces a grave manpower uation." So where are these employed, are they all deliver- milk?

It would be expected that legi- nate builders would be en- uraged, but what are the facts? ey are inundated with bureau- acy from all sides. The DoE th its forms and ridiculous ilding regulations; these now ange at regular intervals. The land Revenue with the Finance o. 2) Act 1975 applying to all ntractors, not just "lump" rkers, and all must produce eir 714 before receiving pay- ent, not to mention forms 715, 5, 739, 704, etc., which must be alt with at regular intervals. e Employment Protection Act, d now the proposed Manpower ard, to register employers and ployees; this will mean regis- red employees being directed registered employers—with ll-back pay from a fund pro- ded by the employers. No ubt this will develop into the me situation as at the docks, ere registered dockers are id for doing nothing. Surely is will encourage more moon- ghting. A ten-year structural arantee is now expected, anks to the National House ilding Council, and it would pear that the statute of limi- tions does not apply to buil- rs.

Your correspondent suggests at the construction industry ould put its own house in der, but how can it? Over 60 r cent of the work load is for the public sector, so the government can manipulate the cyclic problem quite easily. Unfortunately it chooses to order at peaks instead of troughs, making the situation worse.

David Brown.
302 Ford Green Road,
Norton, Stoke-on-Trent.

Going for publicity

From Mr. T. Murray

Sir,—We are in complete agreement with Mr. Norman Jenkins (October 20) on energy costs except that we are rather sad that he chooses to chide us mildly on the lack of publicity which we at APE-Crossley have given to the Hereford combined heat and power project.

Within six weeks of being selected by Midlands Electricity Board to supply the two 7.5 MW diesel generators which are at the heart of the scheme, we had written, printed and distributed some 400 copies of a technical write up on it to Members of Parliament, the Departments of Energy and Industry, industrial development associations, the Electricity Council, each region of the Central Electricity Generating Board, each electricity Board and each gas Board, together with consulting engineers, industrial energy managers, industry generally and of course, the technical Press.

At the same time we intimated our intention to hold a seminar on the subject and the response was such that we held two, with a total attendance approaching 300 people. The main paper was given by MEB with papers, among others, from Sweden and Finland giving recent experience and up-to-date practice in those countries.

In the preparation of the literature and its dissemination, we have had wholehearted co-operation and support from the Midlands Electricity Board, which is very active in its own right in giving it publicity and generous in its willingness to share the fruits of its years of research which culminated in the decision to embark on the Hereford Project.

T. Murray.
APE-Crossley,
P.O. Box 1, Pottery Lane,
Openshaw, Manchester.

Transferring pensions

From Mr. D. Shaw

Sir,—The unfair treatment of people changing jobs when it comes to the transfer of pension rights has received heavy Press coverage recently. All the problems and disadvantages have been strongly voiced and it is to be hoped that the Government will lay down simple rules so that a person who changes jobs will be able to be credited in his new job with the full number of pensionable years of service earned in his old job.

We are all familiar with the workings of the present system. Smith leaves Company A for Company B after eight years' pensionable service and A's actuary assesses the transfer value at, say, £5,000. B's actuary looks at the £5,000, Smith's age and his salary and says that this amount means that Smith will be credited with only five years' pensionable service in Company B. Alternatively, Smith could take a deferred pension from A which will be worth peanuts when he retires and, in the bargain, he loses eight years' pensionable service.

The Government can simplify all this by making it compulsory for Company B to credit Smith with the eight years' service in Company A and leaving it to the actuaries of the two companies to work out a fair transfer value. Any disputes could be settled by the Government Actuary. In time the actuarial profession will no doubt draw up a set of tables to enable pension fund administrators to calculate transfers without resort to actuaries (these tables will be based on age, years of pensionable service and salary earned during this service). The rules of the two pension schemes involved will obviously have their differences but the employee must judge these just like all other conditions of service in his new company.

There does not seem to be any logical reason why people who change jobs should be badly treated when it comes to pensions. However, let us be under no delusion that if the Government acts in the way that I suggest the result must be either reduced total benefits for everyone or an increase in contributions by either the employer and/or employee

D. I. Shaw.
M and G Insurance Group.
91-99 New London Road,
Chelmsford.

The costs of index-linking

From Mr. R. Nottage.

Sir,—Mr. T. A. E. Layborn states (October 23) that the latest accounts of the National Coal Board's superannuation scheme demonstrate "the enormous cost of index-linking in times of high inflation." May I, with respect, suggest that Mr. Layborn's interesting analysis of the accounts has missed the salient points, namely: the inability of the employer-based funded scheme to maintain the real value of pensions in payment in times of high inflation; and the *alarming cost of seeking to fund* the increases due under a system that maintains the real value of pensions in payment.

The NCB has certainly adopted the most expensive way of meeting its pensions liabilities. In so doing it inflicts heavy burdens on itself and, indirectly, on the complacent Exchequer. As the scheme's actuary explains, the fund has not been able since 1975 to afford more than a pensions increase of 5 per cent. That difficulty has then been accentuated by the Board's decision not to meet the extra annual cost on a pay-as-you-go basis, but to fund it.

The capital liability so arising is to be extinguished by 10 annual instalments. The cumulative effect of this policy over the last four years in respect of the scheme's 48,000 pensioners is a current annual cost to the Board of £21m, and this will continue over the next six years before reducing, even if inflation goes away next week. Having regard, however, to the TUC's penchant for free collective bargaining one must reckon that the annual cost to the NCB for funding pensions increases is still at a modest level compared with the peaks it has yet to scale.

The Coal Board's problem, which is general in some degree to all the nationalised industries, is entirely of the Government's making. It knows perfectly well that inflation holds no terrors for properly constituted pay-as-you-go schemes. Richard Crossman, in his 1969 White Paper on Proposals for Earnings-Related Social Security, said: "Since the new scheme's contributions will be earnings-related, the income they produce will automatically rise with the higher earnings levels which can be expected to accompany economic growth. In this way the new scheme, with its earnings-related contribution income, will be able, without imposing an excessive burden on future generations of contributors, to give pensioners and other beneficiaries not only protection against price increases, but also a share in the general improvement of the nation's living standards." (Cmnd 3883). More recently the Government Actuary made a similar observation in his Report on Mrs. Castle's Social Security Bill, 1975. (Cmnd 5928).

Why, one must ask, does the Government continue to acquiesce in a policy for the nationalised industries, covering less than 10 per cent of the nation's work force, which puts their employees and their pension schemes in a position of quite exceptional privilege even by public service standards, and, as Mr. Layborn rightly says, can be sustained only at enormous expense? And this at a time when, in all other matters, financial economy—if not painful stringency—is the order of the day.

This is one of the mysteries that the Select Committee on Nationalised Industries will no doubt probe during the coming session when it turns its attention to the structure and administration of its charges' pension funds.

Raymond Nottage.
Reform Club,
Pall Mall, S.W.1.

Confluence of the waters

From the Marketing Services Manager, Nashua Copycat

Sir,—Your excellent feature on office equipment (October 23) describes Nashua as a Japanese copier company and I feel it is only right to point out that while we market machines that are manufactured in Japan, Nashua Corporation is an American company, taking its name from the town of Nashua in New Hampshire. The word Nashua, *although it sounds like* a Japanese word, is in fact North American Indian and means confluence of the waters.

T. A. Hohenberg.
Corp House,
The Ring,
Bracknell, Berkshire.

Profitable enterprise

From Mr. W. Whalley.

Sir,— Mr. A. Albu (October 21), comments on my letter of October 18. The latter was a plea, not for protection but for academics to examine the causes and implications of our industrial decline. High labour costs are not the same as high wages, productivity enters into the picture. Technical sophistication does not necessarily bring in either profits or foreign exchange. We pioneered jet aircraft, and where did it get us?

No survey I believe exists showing, trade by trade, the generation and consumption of foreign exchange, including the personal consumption of employees. Obviously the latter is most conspicuous in labour intensive industries. Would it not be of interest to know whether car manufacturing, for instance, is a nett producer, or consumer, of foreign exchange including that consumed by the work force, and of course money transmitted overseas as expenses, overheads, profits etc.

Such a survey should indicate areas where high returns of foreign exchange arise for small import costs. Perhaps the most profitable enterprise today is hunting by rich foreigners. Game has a negligible import content and the £1,000 a shot deer will cost them is a practically undiluted gain of foreign exchange. Battues of pheasants should bring in foreign sportsmen judging by the experience of East European countries.

Academics might also usefully examine the ancestral backgrounds of industrial workers in different countries in relation to productivity. The flight of peasants from the land to the factories began in England 200 years ago. On the Continent and in Asia the factory worker is more commonly the son or grandson of a peasant and his attitude to life is affected accordingly. We see in this country that the farm population is conspicuously hard working and uncomplaining. Closer to earth is closer to reality perhaps.

I suggest that these questions are related to our continuing industrial decline, and that the answers are likely to be such that only academics, not vulnerable to public opinion, dare handle them.

W. C. R. Whalley.
105, High Street,
Hungerford, Berks.

Bank staff unions

From the Secretary, Association of Scientific, Technical and Managerial Staffs, Midland Bank Staff Section.

Sir,—As reported (October 24) Dr. Johnston has made his independent report and recommendations on bank staff representation.

It seems to me that, despite giving consideration to eight possible alternatives, before making his recommendation he has failed, for some non-apparent reason, to even give consideration to what could be the most viable alternative—the merger of the National Union of Bank Employees and the bank staff associations into the Association of Scientific, Technical and Managerial Staffs.

The reason why I say that ASTMS is the most viable alternative is because the proposed organisational structure of the new union is already in existence within ASTMS. This structure works very well as the ASTMS membership knows within the Midland Bank and, also, the very large membership which ASTMS already has within the finance sector. Perhaps the Midland Bank staff association was more far seeing than it imagined when it merged with ASTMS nearly five years ago and even more than Dr. Johnston has been today

Over the past years mergers have been taking place between unions, yet the recommendation proposes a new union which would only have a potential membership of about 250,000 (half the existing ASTMS membership). This membership would be further restricted if a "spheres of influence" agreement was entered into between ASTMS and this new union as, generally speaking, ASTMS is the union recognised within insurance.

The recommendations of Dr. Johnston are contradictory. On the one hand, he is proposing a "spheres of influence" agreement in relation to the situation in the Midland Bank yet, on the other, he is proposing a third tier within the new union for NUBE's fringe areas of representation which includes some insurance members. The recommendations might solve the problems within the major London clearing banks—although I doubt it—but they will be perpetuated within other areas e.g. the insurance industry. For this reason I can't believe that the managements of the insurance companies will be very happy with Dr. Johnston's recommendation, nor, in fact, the TUC who could be faced with inter-union problems.

Naturally, there is a lot to digest in the implications of the report and recommendations but, hopefully, when the dust has settled the most viable alternative—ASTMS—will become clear.

Tony Westhead.
45, Blackfriars Road, SE1.

Today's Events

GENERAL

Cabinet meets to discuss European Monetary System.

Mr. Denis Healey, Chancellor of the Exchequer, meets representatives of Confederation of British Industry at Downing Street for talks on pay and inflation.

Berwick—East Lothian and Pontefract—Castleford Parliamentary by-elections.

Annual report of Church Commissioners.

Queen attends King's College 150th anniversary reception, Strand, London.

Mr. James Schlesinger, U.S. Energy Secretary, on visit to China.

Mr. Andrei Gromyko, Soviet Foreign Minister, continues talks in France.

Second day of visit by French President Giscard d'Estaing to Italy.

Sr. Jose Lopez Portillo, President of Mexico, visiting China and Japan.

Mr. Nikolai Firyubin, Soviet Deputy Foreign Minister, continues visit to Phillipines.

OFFICIAL STATISTICS

Car and commercial vehicle production (September—final). Energy Trends publication by Department of Energy.

COMPANY RESULTS

Financial dividends: Burgess Products (Holdings). McKechnie Brothers. S. Simpson. United Real Property Trust. Walker and Homer. Interim dividends: Berkeley Hambro Property. Boosey and Hawkes. Henry Boot and Sons. Coral Leisure Group. Gears Cross. London Brick. Minet Holdings. William Press and Son. Sheepbridge Engineering. Trust Union. Whittington Engineering. Wire and Plastic Products. Interim figures: John Crowther Group. Electronic Machine Company.

COMPANY MEETINGS

Burns Anderson, Midland Hotel, Manchester, 12. Hume, Winchester House, EC, 11. R. and J. Pullman, 13 Marylebone NW, 12. Reabrook Trust, 4, Water Street, Liverpool, 3. Telefusion, Connaught Rooms, WC2, 12.30. Tor Investment Trust, 6, Caer Street, Swansea, 10.15.

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COMPANY NEWS + COMMENT

Telephone Rentals ahead to £5m midterm

IN THE half-year to June 30, 1978 pre-tax profit of Telephone Rentals increased from £4.49m to £5m and directors anticipate a satisfactory outcome to the year provided the group and its suppliers remain free from industrial disputes.

Directors say that for the first nine months of the year new rental and sales business has shown a considerable increase over 1977. The increase is particularly marked in the sale of PABX in the UK.

Completions in respect of PABX have however been adversely affected by supply difficulties and an industrial dispute at the Post Office. The time lost will not be recovered this year, they say.

The interim dividend is raised from 1.5358p net per 25p share to 1.715p. A supplementary 0.06515p is also to be paid for 1977 when a 4.30013p final was paid on record profits of £9.55m.

	First half 1978 £000	1977 £000
Turnover	16,451	14,347
Rental	9,343	8,466
Sales and other	7,108	6,081
Profit before tax	*4,998	4,494
Tax	†2,579	2,321
Net profit	2,419	2,173
Minority	26	21
Attributable	2,393	2,152
After depreciation*	1,905	1,604
Comprises UK†	1,650	1,091
Overseas	305	275
Deferred	1,221	949

• comment

Pre-tax profits at Telephone Rentals are 11 per cent up, a result which displays some recovery after last year's disappointing second six months. Rental turnover is one-tenth better with direct sales 17 per cent ahead thanks largely to the timing of contract completions. The picture is one of overall improvement, though the Post Office strike will hit the current half: the PABX programme will nevertheless be completed next year. The company is at a loss to explain the present increase in demand but reports a particular upturn in the public sector. Overseas (only 15 per cent of profits) France remains somewhat dull but South Africa, Australia and North America are doing well. At home new products help maintain the momentum so the recently commissioned PDX solid state system will add to the group's range. With a long unbroken run of profit increases, there is no reason for a change now and profits of £10m for the year look within range. At 140p the shares are on a fully taxed p/e of 11.2, reflecting their solid rating, and a yield of 6.9 per cent.

INDEX TO COMPANY HIGHLIGHTS

Gomme fall is £0.7m— better signs

IN LINE with the forecast of second half profits similar to the first six months' £644,000, the taxable surplus at Gomme Holdings fell from £2.09m to £1.33m in the July 28, 1978 year. Turnover was £24.88m against £23.55m.

Mr. H. N. Sporborg, the chairman, says trade has improved considerably since June and that in the first quarter of the current year the order intake has been more than 30 per cent higher than in the same period of the year just ended.

If economic and political developments in the months ahead are such that the situation is maintained then the company can look forward to better results in 1978-79.

When reporting the £437,000 drop at midway he said there had been a general lack of buoyancy and although some signs of an improvement had been seen, the slight upturn had come too late to significantly affect the full year trading performance.

Interest charges in the year were £169,000 (£141,000) and after tax of £702,000 (£1.1m) net profit came out at £631,000 (£990,000). The final dividend of 2.49p takes the total from 3.025p to 3.377p net per 25p share.

Mr. Sporborg says the company is commencing operations in a new 25,000 sq ft factory at Wrexham with plans for an additional 40,000 sq ft to be completed by the middle of 1979. Space is available to build a further 180,000 sq ft and arrangements have been made to ensure that the finance to support the expansion programme will be available.

In the last year capital spending totalled £890,000 (£820,000) and at year end, bank overdrafts were up from £1.42m to £1.54m.

• comment

Gomme has taken a little longer than other furniture manufacturers to respond to the upturn in consumer spending and has probably lost a little in market share as a result. Volume sales are about 7 per cent down for the year —compared with a 5 per cent downturn in the industry figures for furniture deliveries—and profits have tumbled by 36 per cent. However, the picture so far this year is much more encouraging. The order intake in real terms for the first quarter is up about 40 per cent and the industry has high hopes that volume sales for the year will return to the record level of 1973. But while demand is well ahead, the company is having trouble in meeting orders. As a result of the sharp upturn in demand, furniture stocks have been virtually exhausted and there is now a three-month time lag for deliveries. Existing units are currently overloaded so the new Wrexham factory, which will provide nearly 25 per cent additional production capacity by the end of next year, will ease the strain. The shares, at 70p, anticipate some recovery with a p/e of 14.4 while the yield is 7.5 per cent.

Good start for Zetters

Mr. Paul Zetter, chairman of Zetters, told the annual meeting that the new football season was going well, and the bingo business was doing extremely well.

He was confident that the optimism expressed in the annual report was fully justified.

Nine-month advance at Gallaher

A BOOST in third quarter pre-tax profit from £10.5m to £13.9m has outstripped the decline in the first half to leave profits up from £33.2m to £35.7m in the nine months to September 30, 1978.

Third quarter sales were £378.5m against £364.1m for a cumulative total of £1.12bn (£1.02bn). The trading profit for the nine months is unchanged at £37.9m. Interest charges are down this time from £4.7m to £2.2m.

Of the third quarter profit rise domestic tobacco operations were the major contributor, being ahead from £6.9m to £9.3m, and the nine-month figure of £25.5m is supporting declines in all other areas—overseas tobacco, engineering, optical and distribution.

After tax of £18.1m (£16.6m) net profit was £17.6m (£16.6m).

For all last year the group, a subsidiary of American Brands Inc., reported total pre-tax profits of £43.4m.

Greenbank Industrial at £0.83m

INCLUDING A foreign exchange gain of £21,772 compared with £483,227 previously, taxable profit of Greenbank Industrial Holdings for the first half of 1978 was £826,228 against £1.18m last time.

Trading profit was up from £688,981 to £801,773 in the period and turnover was £4.56m (£3.89m). Directors say the trading profit indicates another satisfactory year without the benefit of last year's substantial exchange gains. For all 1977 profit was a record £2.16m including exchange gains of £462,000.

After tax of £438,000 (£616,000) net profit came out at £388,228 against £565,265.

The interim dividend is lifted from an adjusted 0.589p to 0.65p net. Last year a 0.60714p final was paid. Two directors have waived payment on 2.13m shares.

British Sidac profit cut

SALES OF British Sidac improved from £20.61m to £23.48m in the first half of 1978, but pre-tax profits were down from £1.31m to £1.18m. Prospects for the second half remain uncertain, the directors say.

The profit is after depreciation of £654,000 (£710,000), interest, £261,000 (£203,000) and associates' profits of £745,000 against £667,000.

The results for the first half reflect the difficulties which the cellulose film industry still faces, with rising costs and a static market the directors say.

A substantial proportion of sales go to overseas markets, where prices have been adversely affected by the strengthening of the pound against the dollar.

It is anticipated that no Corporation Tax will be payable in respect of the first six months due to the effects of group relief payments and to stock appreciation relief and accelerated capital allowances.

Having regard to the forthcoming S.S.A.P. on deferred tax, no provision therefore has been made in the interim figures.

It is expected that as for earlier years, a group relief payment will be made for 1978 to the holding company. The group is a subsidiary of UCB (Investments) which is controlled by UCB of Belgium.

Freddie Mansfield

Mr. H. N. Sporborg, chairman of Gomme Holdings

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Burrell & Co.	int.	Nil	—	0.43	—	0.92
Continental Union	int.	1.25†**	Dec. 1	1	—	3.5
Downiebrae Hldgs.	int.	0.75	Dec. 19	0.7	—	2.29
Ellis & McHardy		3.04	Dec. 8	2.72	3.04	2.72
Gill & Duffus	int.	2.3	Dec. 15	1.98†	—‡	4.36*
Gomme Hldgs.		2.49	Jan. 5	2.14	3.38	3.03
Greenbank Indust.	int.	0.65	Dec. 1	0.59*	—	1.2*
Philip Hill	int.	2.75	Dec. 11	2.5	—	7.9
Hopkinsons Hldgs.	int.	1.5	Dec. 5	1.35	—	5.06
Hoveringham	int.	0.69	Dec. 13	0.55	—	2.08
Walker Lawrence		5.05	—	4.25	7.29	6.5
Lilleshall	int.	0.68	Nov. 22	0.5	—	1.75
Lindsay & Williams	int.	1	Nov. 24	0.5	—	3
London Atlantic	int.	1.5	Dec. 29	1.25	—	3
More O'Ferrall	int.	1.03'	Dec. 29	0.89*	—	3.02*
Peerage of B'ham.	int.	0.83	Jan. 5	0.75	—	1.62¶
PMA Hldgs.	int.	0.5	—	Nil	—	1
J. Smart		1.48	Dec. 8	1.32*	2.03	1.82*
St. Swithins Hldgs.		4	—	3	4	3
Spillers		0.83	Feb. 1	0.83	—	1.35
Telephone Rentals	int.	1.72	Dec. 6	1.54	—	5.9
Utd. Friendly Ins.	int.	1.75	Dec. 6	1.5	—	4.93§
Youghal Carpets	int.	Nil	—	2.05	—	2.05

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Maximum permitted 7.26p gross total forecast. § Includes additional 0.051p now payable. ' Plus additional 0.0132p, payable January 5. ¶ Includes supplementary 0.0323p. ** To reduce disparity.

Hoveringham jumps 50% to £2.4m in first half

PROFITS BEFORE tax of the Hoveringham Group of sand, gravel and ready-mixed concrete companies jumped by 50 per cent in the first half of 1978, from £1.6m to £2.4m. Turnover rose by 26.3 per cent to £20.6m.

Mr. Christopher Needler, the chairman, reports that the level of profitability reflected in the interim figures has been maintained so far in the second half. Subject to unforeseen developments it is anticipated that the results for the second half will be similar to those for the first six months.

First-half earnings per 25p share are shown at 5.97p (3.75p). The interim dividend is 0.6875p per share against 0.55p and the present intention is to seek Treasury approval for a corresponding increase in the final dividend at the appropriate time.

Last year's total was 2.08p from pre-tax profits of £3.55m.

	Half-year 1978 £	1977 £
Turnover	20,631,235	16,385,371
Trading surplus	3,364,338	2,149,735
Interest paid	150,037	147,519
Depreciation	665,920	347,111
Land depletion	95,740	100,007
Profit before tax	2,419,641	1,555,118
Tax	1,300,000	835,000
Net profit	1,119,641	720,118
Extraordinary credit	44,109	3,373
Pref. dividend	42,373	42,373
Interim dividend	124,066	99,252
Retained	996,509	581,266

The turnover of £5.28m (£3.73m).

On a CCA basis pre-tax profits are reduced to £413,000 after adjustments for depreciation of £57,000 and £166,00 cost of sales. The CCA net profits of £153,000 is shown before a gearing adjustment of £45,000.

As known, the directors have confirmed, that following a Treasury ruling, they would not be going ahead with plans for a scrip issue of preference shares. It is intended to recommend the maximum dividends payable under any regulations then in force in respect of 1978-79.

During the year, the medium term loan of £500,000 was renegotiated with Citibank and a new medium term loan of £150,000 was negotiated with Lloyds Bank together with an overdraft facility of £400,000.

In view of the improvements in liquidity, it was felt unnecessary to continue with the hire purchase arrangements and these were consequently discharged, the chairman says.

Meeting, Hollingbourne, near Maidstone, Kent, November 17 at 11.45 am.

• comment

A 55 per cent first half profit jump puts Hoveringham within striking distance of a £5m pre-tax figure for the full year. The strong growth is solidly based on rising returns from past investment in ready-mix concrete plants plus a steady sales volume from the stone and aggregate activities. Ready-mix concrete performance appears to be better than the industry average while the stone and aggregates figures are pretty much in line. An unknown factor in the calculations of likely second half figures is the profit contributions from the four small UK acquisitions made in the last two months and the acquisition in May of U.S. based Superior Sand and Gravel. Superior is likely to subtract from, rather than add to, the figures as profits are unlikely to meet interest cost on funds raised for the purchase. The ordinary shares closed up 4p at 92p yesterday giving a p/e of 7.1 and a yield (assuming the company is successful in its attempt to lift the annual dividend by 25 per cent) is 4.3 per cent.

Startrite sees improvement midway

The first half of the current year at Startrite Engineering Group will certainly show an improvement over the corresponding period of 1977-78, Mr. W. R. Bruce, the chairman says in his annual report.

Looking further ahead, the directors are confident that providing there is no serious recession, the group will continue to improve its share of the market.

Expenditure on new developments continues at reasonably high level, the chairman says.

A marketing company is being acquired in Holland and apart from its profit potential, this should assist in making bigger inroads into the Benelux countries. The board intends to strengthen the export marketing organisation and this should give rise to further growth potential.

A new dust extractor is being marketed at present while a new factored line of circular sawing machines for cutting metal is being introduced. Further products are being considered.

For the year ended June 30, 1978, profits before tax improved from £412,286 to £635,718 from

Rationalisation costs Youghal some £3.23m

FOR THE first half of 1978 Youghal Carpets (Holdings) incurred a pre-tax loss, but the results show an improved picture compared with the second half of last year, when heavy losses followed a first half profit.

Major reorganisation plans have now taken place and carpet stocks levels are satisfactory. Having regard to these changes the directors say indications are that their forecast of a profitable second half will materialise, and the improvement will continue in 1979.

After reorganisation costs of £0.52m, the pre-tax loss for the first half of the current year totalled £1.02m, compared with a profit of £0.42m in the corresponding period and a deficit of £2m in the second half of last year.

Below-the-line, first half results include an extraordinary debit of £2.71m. This relates to the closure of the weaving plants operated by Gloucester Carpet Company and Morris and Co. (Kidderminster), referred to in the last chairman's statement, and the costs of closing the small plant operated by KVT in Holland, which subsequently became necessary.

The directors point out that these losses, all of which are provided for in the first half, largely arise subsequently and are non-recurring.

The reorganisation costs, mentioned previously, comprise redundancy and other related costs incurred in the weaving plant at Youghal as a result of the introduction of new manning and production programmes consequent upon a rationalisation programme.

The directors explain that all the closures and reorganisation programmes were necessary to implement the strategy which the company was obliged to take to rectify the unsatisfactory trading referred to in the 1977 report and accounts.

Last year' published statements of Mr. L. J. O'Brien, the chairman, referred to the need to effect reductions in trading, the aims of which were a major reduction in stock and borrowing levels, the elimination of unprofitable weaving capacity and reduction in unit costs of production.

There is no interim dividend.

Last year's payment was 2.04[illegible] net but there was no final.

	First Half 1978 £000	Second Half 1977 £000	First Half 1977 £000
Turnover	35,494	35,413	[illegible]
Trading profit	610	*761	[illegible]
Depreciation	479	390	[illegible]
Interest	930	865	[illegible]
Re-org. costs	521	—	[illegible]
Loss before tax	1,020	2,006	[illegible]
Tax	47	‡79	[illegible]
Net loss	1,067	1,927	[illegible]
Currency gain	43	*89	[illegible]
Extraord. debit	2,712	120	[illegible]
Attributable loss	3,736	2,136	[illegible]

*Loss. †Profit. ‡Credit.

• comment

Youghal Carpets has taken all the costs of its drastic slimming down into the first half year: the £2.7m extraordinary debit is a provision for second half costs, which the company insists will not be exceeded. The carpet trade has experienced some upturn and Youghal is trading profitably at present but the overall figures for the year are still going to look very grim. The balance sheet at the end of last year showed shareholders' funds of £9.7m, out of which the attributable first-half loss of £3.7m has to come balanced partly by a reduction in stock levels. With borrowings at a total of over £11m at the end of last year, £5.4m short-term, the company is in delicate shape: the share price of 38p capitalises Youghal at £6.3m, excluding the small preference element.

Ellis and McHardy increase

FROM HIGHER turnover of £11.62m against £8.91m, profit before tax of Ellis and McHardy, Aberdeen-based solid fuel distributor, improved from £233,075 to £282,638 in the year ended July 31, 1978.

After tax and extraordinary items, net profits are £150,12[illegible] against £155,876.

The dividend is stepped up from 2.7235p to 3.04125p absorbing £36,495 (£32,682) and £113,6[illegible] against £123,194 is transferred to reserve.

Burrell back in profit: omits interim

FOLLOWING ITS 1977 second half loss of £104,000, Burrell and Co. returned to profits with an £86,000 pre-tax surplus in the first half of 1978, which compares with a £403,000 profit last time. Turnover was £4.9m against £4.76m. The interim dividend is however omitted.

Directors say pressure on margins continues to offset much of the benefit of modest gains in sales volume. Rigorous internal disciplines have reversed the unsatisfactory profit trend of the latter half of 1977, but profit remains at an inadequate level.

They say a major reorganisation has commenced with a view to achieving a significant increase in market share and a substantial improvement in the effective use of the company's assets.

The results of this will take some time to show through in profit but already the Matlock factory has been closed and production at the Barnfield factory will be progressively transferred during 1979. The cost of the reorganisation is shown as an extraordinary item, which for the half was £107,000.

In the annual report it was said that the continuation of the existing dividend level would depend on an improvement in trading conditions.

Directors now say that although there are some recent signs that conditions may be improving they have decided to defer the decision on an appropriate dividend level until the full year results are known. Last year a 0.924p net per 5p share total was paid.

The profit is after depreciation of £143,000 (£101,000), interest £56,000 (same) and a £5,000 gain on foreign currency transactions (£26,000 loss).

Uniflex well ahead at midway

TURNOVER OF Uniflex Holdings nearly doubled from £5.44m to £10.15m in the first half ended July 31, 1978, and profits increased sharply from £170,000 to £234,00[illegible] before tax of £122,000 against £88,000.

The turnover and profit include those attributable to Pel and Robert Whiting Designs since their dates of acquisition.

First-half earnings per 10p share are shown at 4.78p against 3.49p. For 1977-78, the group, maker of "Uniflex" furniture reported profits of £322,000 and paid an unchanged dividend of 2.75p.

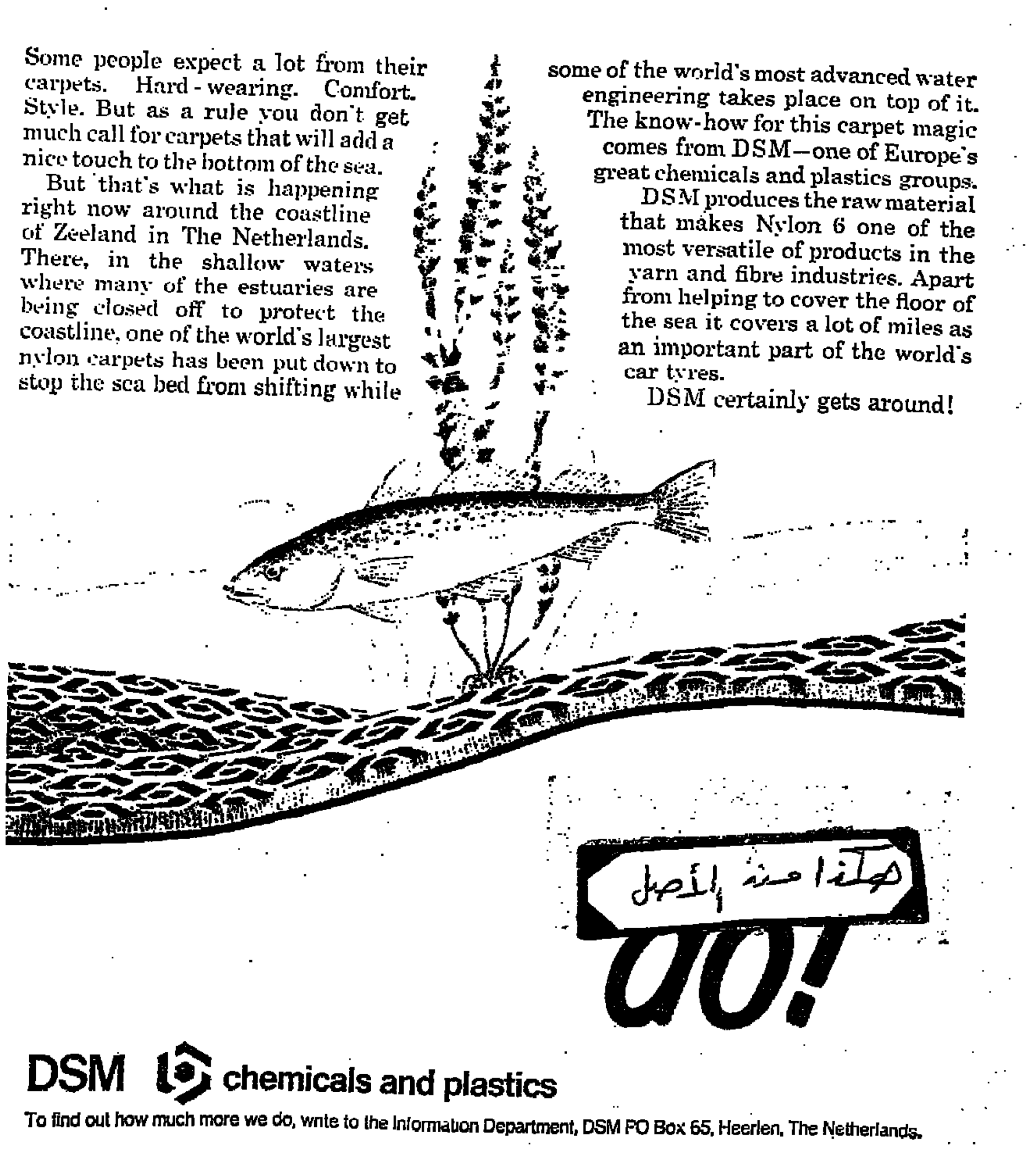
Carpet magic

Some people expect a lot from their carpets. Hard-wearing. Comfort. Style. But as a rule you don't get much call for carpets that will add a nice touch to the bottom of the sea.

But that's what is happening right now around the coastline of Zeeland in The Netherlands. There, in the shallow waters where many of the estuaries are being closed off to protect the coastline, one of the world's largest nylon carpets has been put down to stop the sea bed from shifting while some of the world's most advanced water engineering takes place on top of it. The know-how for this carpet magic comes from DSM—one of Europe's great chemicals and plastics groups.

DSM produces the raw material that makes Nylon 6 one of the most versatile of products in the yarn and fibre industries. Apart from helping to cover the floor of the sea it covers a lot of miles as an important part of the world's car tyres.

DSM certainly gets around!



DSM chemicals and plastics

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GILL & DUFFUS GROUP

Interim Statement

Estimate of profit for the year ending 31st December, 1978.

	1978 (estimated) £0'000	1977 (actual) £'000	1976 (actual) £'000
Group profit	21,000	20,401	13,437
Taxation	10,500	9,935	6,340
	10,500	10,466	7,097
Provision for deferred taxation no longer required	4,700	5,131	—
Profit after taxation	15,200	15,597	7,097

It is anticipated that a proportion of the tax charge for the year will again be deferred. In view of the forecast level of stocks at 31st December, 1978 the Board is of the opinion that U.K. taxation deferred in 1977 in respect of stock appreciation relief will not be payable in the foreseeable future. Accordingly, subject to unforeseen circumstances, it is the Board's intention to release £4,700,000 to the profit and loss account in the current year.

The Board has declared an interim dividend of 2.3p (3.4328p gross. 1977 3.0p gross) and intends to recommend a total dividend for the year of 7.26p gross (1977 6.5462p).

The Chairman, Mr. F. M. Gill, reports:

In our last Annual Report we stated that the current year was shaping well and, in spite of lower market activity since that time, we are pleased to forecast Group profits for 1978 ahead of last year.

All our major subsidiaries are trading satisfactorily, although in the case of the United States the weakness of the dollar has had an effect in sterling terms. In the U.S.A. our new factory has recently commenced production and in Brazil our major capital investment programme is on schedule and within budgeted cost.

A further extension of our manufacturing activity has resulted from our recent minority investment (33%) in the well-known chocolate couverture manufacturer, Lesme Ltd.

St. Dunstan's House, 201 Borough High Street, London SE1 1HW. Tel: 01-407 7050

International merchants, brokers and processors in a wide range of primary commodities.

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France • Switzerland • Germany • Hong Kong • Singapore • Malaysia • Australia

Spillers holds £6m and sees better result

Mr. Michael Vernon, chairman of Spillers.

:R A £3.5m loss on the dis- nued bread baking activities, le profit of Spillers for the 29, 1978, half year was little :ed at £6.01m compared with n previously.

April withdrawal from the industry is reflected in ver which was only mar- y higher at £367m compared £358m.

the post-depreciation trading profit was up from £7.57m 24m. Investment income well down from £0.72m to 0 which was not fully off- the rise in associate profits £0.49m to £0.71m.

Michael Vernon, the chair- says that in the UK the ry products, meat, grain and rants groups achieved sig- ntly higher profits, while the g and ingredient groups did

results from the agriculture were not satisfactory, how- owing to some decline in volume and uneconomically egg prices which affected y interests.

rseas, the grain trading sub- y in France, Lecureur, d substantial growth in and profit, but the results tain joint ventures were dis- nting with losses incurred in a and Australia.

the U.S., profits of Modern Food Products, acquired in ary, were included and while modest result are expected this year reflecting initial costs and the commissioning of a major new factory, the outlook is "very encouraging" the chairman says.

Mr. Vernon reiterates his July statement that results for the current year will be well in excess of the £8.49m of last year. The prospects and opportunities for the group are greatly improved as a result of the withdrawal from broadbaking, although the benefits will not be realised in the course of a few months.

After tax of £1.71m (£1.72m) net profit was £4.3m (£4.31m). The interim dividend is unchanged at 0.825p net per 25p share. Last year a second interim of 0.325p was paid for a reduced total.

	Half-year 1978 £000	1977 £000	Year 1977-78 £000
Sales	367,000	358,000	728,000
Depreciation	3,961	3,937	8,025
Trading surplus	8,237	7,570	11,935
Investment income	57	716	1,139
Investment grants	175	201	396
Interest payable	3,167	3,253	—
Bnk. lns., o/drafts, med. & shrt.-term loans	1,979	2,617	4,751
Debs., long-term loans	1,188	636	1,284
Associates	707	492	1,054
Profit before tax†	6,009	6,026	8,489
Tax	*1,711	1,719	—
Spillers group	1,564	1,551	2,599
Associates	147	166	297
Net profit	4,298	4,107	5,883
Minority interests	445	453	446
Extraord. debs. net	6	111	23,018
Withdrawal from bread-baking	—	—	22,071
Other	6	111	947
Transfer from res.	—	—	22,071
Attrib. to Spillers Limited	3,847	3,743	4,490

† Adjusted for SSAP15. * Includes unrelieved ACT amounting to £625,000 in respect of dividends.

See Lex

Gill & Duffus estimates £21m profit for year

PRIFITS before tax of the Gill and Duffus Group, international commodity broker, etc., are estimated to be £21m for 1978 compared with last year's £20.4m. Tax will take £10.5m against £9.94m less a tax provision no longer required of £4.7m (£5.13m).

An interim dividend of 2.3p net is now declared against an equivalent 1.98p and if the year's profit estimate is realistic the directors are forecasting a final equal to 3.8272p gross making a gross total of 7.26p (6.5462p gross) —the maximum permitted.

Sales for the first half were £393m against £403m. All major subsidary are trading satisfactorily although in the case of the U.S. the weakness of the dollar has had an effect in sterling terms, the directors say.

In the U.S., the new factory has recently commenced production and in Brazil, the major capital investment programme is on schedule and within budgeted cost.

A further extension of manufacturing activity has resulted from the recent minority investment—33 per cent—in the chocolate couverture manufacturer, in Lesne.

It is anticipated that a proportion of the tax charge for the year will again be deferred. In view of the forecast level of stocks at December 31, 1978, the Board is of the opinion that UK tax deferred in 1977 in respect of stock appreciation relief will not be payable in the foreseeable future. Accordingly the directors intend to release £4.7m to profit and loss account in the current year.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Berkeley Hambro Property, Boosey and Hawkes, Henry Boot, Coral Leisure, Geers Gross, Grant Brothers, London Brick, Minet, William Press, Sheepbridge Engineering, Trust Union, Whittington Engineering, Wire and Plastic Products.

Finals—Burgess Products, McKechnie Brothers, Priest Marian, S. Simpson, Surmah Valley Tea, F. W. Thorpe, Transvaal Consolidated Land and Exploration, United Real Property Trust, Walker and Homes.

FUTURE DATES

Interims—	
Cambers Stores	Oct. 31
Electrocomponents	Nov. 2
Feedex	Nov. 6
London Trust	Nov. 1
Polymark International	Oct. 31
Save and Prosper Linked Inv. Tst	Nov. 2
Finals—	
Hensher (Furniture Trades)	Oct. 31
London Entertainments	Oct. 31
Scottish National Trust	Nov. 7

First half gross revenue amounted to £331,532 (£282,610). The interim dividend is lifted from 1.25p to 1.3p net and the directors expect to recommend a final of 2p (1.75p).

Shareholders' funds at the half year, after deducting prior charges at par, totalled £10.85m (£9m).

Net asset value per share is shown at 95.1p (79.2p), including full investment currency premium of 3.8p (2.7p).

J. Smart turns in £1.29m

PROFITS BEFORE tax of J. Smart and Co. (Contractors) at £1.29m for the year ended July 31, 1978, are in line with the June forecast of not less than £1.26m, but are still below the £1.72m achieved in 1976-77.

Earnings per share are shown at 6.45p against an adjusted 8.45p. The final dividend is 1.477812p making a total of 2.027812p compared with an equivalent 1.8159515p previously. The directors were expecting to pay a final dividend of 1.447547p.

Certain shareholders have waived their rights to the interim and final dividends aggregating £103,716.

Turnover for the year amounted to £10.98m compared with £9.7m. Tax charge is £657,526 (£870,351).

In their interim report the directors said the forecast results for the year were a reflection of highly competitive conditions prevailing in the industry and severe weather conditions during the past winter.

Downiebrae a little higher

For the first half of 1978 pre-tax profit at Downiebrae Holdings rose from £218,000 to £233,000 on turnover up from £2.53m to £2.6m.

After tax of £121,000 (£113,000) net profit was £112,000 compared with £105,000 previously. The directors say profits for the year are expected to be in line with those indicated by the first-half results. Last year profit totalled £348,518.

The interim dividend is ahead from 0.7p to 0.75p. Last year a 2.29p total was paid.

The group's interests include ingot manufacture, metal merchanting and the manufacture of steel profiles and pipe flanges.

R. Green Properties

Accountants Stoy Hayward have issued a statement relating to "unclear press commentary" on their accounting error at R. Green Properties. The statement says that the firm "would like to point out that the clerical error, in the computation of tax provisions . . . was discovered by them (Stoy Hayward) as auditors, in the course of their final review of the accounts prior to production of the first printers' proof."

Stoy Hayward, acting as tax advisers to R. Green, made the clerical mistake that the firm, acting as the property group's auditors, discovered.

The effect of Stoy Hayward's double counting of £125,000 of tax reliefs was to cut R. Green's earnings per share from the 4.18p reported in unaudited figures earlier this month to 3.16p.

W. Lawrence downturn after Middle East contracting loss

R TAKING into account as losses of £142,000 against), profits before tax of Lawrence were down from to £1.13m in the year June 30, 1978. Turnover 30.84m against £30.05m.

ings per share are shown p against 13.8p. The final nd is 5.046p making a total 6p compared with 6.5p pre- . A one-for-four scrip s also proposed.

-half profits had slipped 585,000 to £528,000 and the was expecting that second- sults would not be unsatis-

directors now say that the ion in pre-tax profit was entirely due to a fall in contributions from the contracting interests. er, there was a significant ement in the results from products and, for the first major contribution from acturing and engineering. loss of £142,000 was in- in the Middle East and ard has decided to cease mpany's presence in that

directors say that the liate outlook for the con- g industry as a whole is not raging. The recession likely to continue and is elped by the political and mic uncertainties, they say. group is therefore concen- g its efforts on other areas e building sector such as ng, refurbishments and small trial developments, where nable profits can be red.

lts for the current year will t substantially from the etion and sales of the rial developments referred ast year's report.

addition, plant hire and ting should show a mar- mprovement; the manufac- and engineering division is of forecast and is expected w an improvement; and the t year's figures will benefit he inclusion of a full year's ution from Latham and Group of companies.

all the board feels that in sense of unforeseen circumstances, it can "look forward confidently to the results of the current year."

	Year 1977-78 £000	1976-77 £000
Turnover	30,841	30,046
Operating profit	1,273	1,416
Overseas losses	142	76
Profit before tax	1,131	1,340
Tax	579	747
Minorities	48	41
Extraordinary credit*	116	†98
Attributable	620	456
Dividends	292	259
Retained	328	197

* Profit of £149,000 on the disposal of quoted investment less removal costs of a subsidiary † Debit.

Following a transfer from deferred tax to general reserves, and taking account of the acquisition of Latham and Owen, and retained earnings, net tangible assets have increased to £6.052m equivalent to 151p per share.

Contracts have been exchanged for the sale for cash of the company's freehold investment properties at 31 Sun Street, London, EC and at 51/53 Gray's Inn Road, WC for £1.1m and £550,000 respectively, equivalent to their net book value.

These sales are in accordance with the directors' policy of realising low yielding assets. Combined rental income for the year ended June 30, 1978 attributable to two properties amounted to £152,000.

The company will retain its registered office at 51-/53 Gray's Inn Road and the proceeds from the sales will be used to reduce group borrowings.

Halftime loss for Wormalds Walker

Following a return to profitability in the second half of last year, Wormalds, Walker and Atkinson, woollen textile maker, incurred a pre-tax loss of £14,206 for the 26 weeks to August 25, 1978, compared with £2,928 in the same period of 1977.

The result included receipts from a temporary employment subsidy, which subsequently ceased at the end of August. Turnover fell from £2.27m to £1.44m resulting from the closure of the group's carpet yarn division. There was no tax charge.

Although major export markets continue to suffer from sterling appreciation, the directors say progress towards profitability is continuing as anticipated and it is still expected that a modest profit will be achieved for the current year. For 1977-78, pre-tax profit was £97,000, including £261,000 temporary employment subsidy.

No dividends have been paid since 1973-74, when net payments totalled 2.1125p per share.

Midyear rise at Lindsay and Williams

An improvement in taxable profits from £51,896 to £77,047 is reported by Lindsay and Williams, the specialist tape and adhesive material group, for the first six months of 1978. Turnover grew from £1.19m to £1.41m.

The directors say current year profits are difficult to forecast, but are expected to be in line with last year's figure of £196,000.

Investment is continuing to be made in plant and equipment although no profit benefit is anticipated during this year.

Product development is also continuing with the group's range of cable accessories being expanded into the cable jointing field.

The mid-year result was struck after reduced interest of £13,498 (£20,627). Tax takes £40,064 (£26,966) leaving net profits ahead from £24,910 to £36,983.

Stated earnings increased from 2.4p to 3.6p per 25p share and the interim dividend is doubled to 1p (0.5p) net, to reduce disparity—last year's final was 2.5p.

During the year, the company purchased J. W. and R. Healey and Company, maker of rope, braid and twine, which takes the group into new product areas.

Net asset value per 25p share is shown as 54.4p at the half year (50.8p at year-end).

PMA Holdings expansion: pays interim

Interim dividends have been re-instituted at PMA Holdings following a jump in pre-tax profit in the six months to September 30, 1978 from £10,000 to £160,000.

A 0.5p interim is to be paid following the 1p net per 25p share single dividend last year when profit totalled £173,000. A final dividend higher than last year is proposed. Dividends were omitted in the three years to March 1977 and an interim was last paid in 1972-73.

Directors say trading conditions remain satisfactory and the sales and profits for the full year will be considerably ahead of last time.

Turnover of the furniture manufacturer for the first half was £1.4m higher at £4.6m and the profit is after interest charges of £52,000 (£53,000). Tax takes £7,000 (nil) and the interim absorbs £14,000. Earnings per share are shown at 5.4p against 0.3p.

Earnings rise for London Atlantic Trust

For the six months to September 29, 1978, net revenue of London Atlantic Investment Trust, a subsidiary of ICFC, advanced 31 per cent from £158,267 to £207,982, representing 1.82p per 25p share compared with 1.39p last time.

However, the directors say this rate of increase is unlikely to be maintained in the second six months. For 1977-78, net revenue was £350,630.

First half tops £0.7m as More O'Ferrall maintains impetus

PROVING THE confidence expressed in the last annual statement to be well founded, pre-tax profits of More O'Ferrall finished the first half of 1978 some £300,000 higher at £710,000.

The buoyant mood continues, and forecasting substantially increased profits for the full year the directors say that prospects for 1979 again give cause for confidence.

Stated earnings for the first half of the current year moved ahead from 4.4p to 7.8p and the net interim dividend is effectively raised from 0.89p to 1p. There is also a supplementary 0.0323p in respect of the reduction in ACT. Last year's total payment was equivalent to 3.0219p from profits of £941,000.

Lady Elizabeth More O'Ferrall and Mr. E. R. More O'Ferrall have waived the interim dividend in respect of their personal holdings.

	Six months 1978 £000	1977 £000	Year 1977 £000
Turnover	3,998	2,501	5,992
Trading profit	663	355	783
Share of assoc.	47	52	158
Profit before tax	710	407	941
Tax	389	226	502
Net profit	321	181	439
Pref. divs.	1	1	2
Attributable	320	180	437

The directors report that new marketing methods in the UK are now firmly established. They have proved to be more acceptable to advertisers and are enabling the company to improve its plant utilisation.

The main subsidiary in the UK, Queensbury Signs, is having a satisfactory year and the French subsidiary has made considerable developments in both France and Belgium.

The company's interests lie in outdoor advertising and ancillary services.

● comment

Judging by More O'Ferrall's results, the boom in outdoor advertising shows little sign of slowing down. Pre-tax profits are 74 per cent up on turnover 43 per cent better—a performance which appears even more impressive given last year's 154 per cent profits growth. Leading the way are the group's highly successful supersites, where the company is the UK market leader. High quality, large space displays are particularly strong at present and by selling them in networks (that is as a package of sites) to key clients, the company has minimised the number of unlet sites. The French and Belgian operations (profits are not disclosed) are apparently doing well but demand is slightly less buoyant in these areas. Meanwhile, associate profits (predominantly Adshel) show a slightly disappointing downturn but this operation looks firmly based and still has considerable potential for expansion. Growth in the current half is likely to be less dramatic after last year's particularly strong second six months. Full year profits of £1.5m, however, look possible which puts the shares at 91p on a fully taxed prospective p/e of 5.8 and a yield of 5.6 per cent.

Asda sales and profits well ahead so far

Sales of Associated Dairies to date had increased by more than 25 per cent and profits before tax by more than 22 per cent, Mr. Noel Stockdale, the chairman said at the annual meeting yesterday.

Sales at present remained buoyant and the chairman had every reason to believe that this trend would continue throughout the remainder of the year.

By the end of the current year, Asda superstores division would be making a significant impact on the southern retailing front, Mr. Stockdale said. Major developments, added to the existing southern super stores at Bristol, Gosport and Plymouth, formed the first phase in the plan to bring the advantages of Asda trading policies to southern as well as northern and Scottish shoppers.

The dairy division at present was contributing some 15 per cent to profits. In the past two years directors had invested £7m in processing and bottline plants at Newcastle and Accrington: completed major redevelopment at West Marton had increased cheese manufacture and packing for the stores, and substantially increased the butter packing capabilities at Settle.

The offer made to Wades Departmental Stores was now unconditional. Wades to date had increased its turnover and profits substantially as compared with the corresponding period last year.

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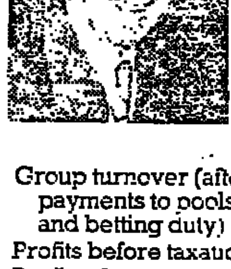
Mr. Paul Zetter reports another record year.



	Year ended 31.3.78	
Group turnover (after payments to pools winners and betting duty)	£8,661,000	up by 59%
Profits before taxation	£1,047,000	up by 76%
Profits after taxation	£481,000	up by 76%
Dividend	1.298p per share maximum allowed by legislation	
Earnings per share	7.34p	up by 76%

Points from Chairman's Statement:

● Profits have for the first time exceeded £1 million.

● Both the Pools and Bingo divisions have contributed to the large increase in profits.

● Notwithstanding our substantial investments over the last two years, our liquidity position remains strong. This, together with a current trading position which is well up to expectations, gives us great confidence for the future.

● Mr. Zetter welcomes the recent report by the Royal Commission on Gambling and is pleased and satisfied that both Pools and Bingo were commended.

ZETTERS GROUP

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OPERATING TR SERVICES

INTERIM STATEMENT FOR THE HALF YEAR ENDED 30th JUNE, 1978

On the 25th October the Directors declared an Interim dend of 6.86% (1977—6.1432%) on the Ordinary Share tal in respect of the year to 31st December 1978, absorbing .595 (1977—£596,047). In addition a supplementary Final dend in respect of 1977 of 0.2606% on the Ordinary Share tal, absorbing £25,286, has been declared to take into unt the change in the basic rate of Income Tax. These lends are payable on the 6th December 1978, to the share- ers on the Register at the close of business on the November, 1978.

The Consolidated Profit Statement (unaudited) of the ip for the six months ended 30th June 1978, is as follows:

Year to 30th June	1978 £000's	1977 £000's	Year 1977 £000's
iover:			
Rental	9,343	8,466	17,228
Sales and Other	7,108	6,081	13,550
	16,451	14,547	30,778
Group Profit before Taxation	4,998	4,494	9,554
Less: Estimated Taxation	2,579	2,321	5,001
ip Profit after Taxation	2,419	2,173	4,553
Less: Minority Interests	26	21	47
nce of Profit attributable to Telephone Rentals Ltd.	2,393	2,152	4,506
reciation:			
mounts charged in arriving at above Profit	1,905	1,694	3,365
ition:			
United Kingdom	1,050	1,094	1,864
Overseas	308	278	630
Deferred Taxation	1,221	949	2,507
	2,579	2,321	5,001

The figures for the 6 months to 30th June 1977, have been nded for comparative purposes to allow for adjustments e in the Annual Accounts for 1977 and include the effect ariations in foreign exchange rates during that year. United gdom taxation has been based on a Corporation Tax rate 2% in both years.

Group Profits before Taxation for the first half of 1978 v a useful increase of 11.2% compared with the first half 977. Both new rental and sale business taken by the Group ng the first nine months of this year show a considerable ease over 1977's figures at this stage. This increase is icularly marked in the sale of P.A.B.X. in the United gdom.

However, completions in respect of P.A.B.X. have been ersely affected by supply difficulties and an industrial ute at the Post Office and the time lost will not be vered this year.

espite this your Directors anticipate a satisfactory outcome the full year provided the Group and its suppliers remain from industrial disputes.

This statement has been issued by S. G. Warburg & Co. Ltd. and Robert Fleming & Co. Limited on behalf of William Baird & Company Limited. The Directors of William Baird & Company Limited have taken all reasonable care to ensure that the facts stated and the opinions expressed herein are fair and accurate and jointly and severally accept responsibility accordingly.

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BEFORE 3 p.m. TOMORROW, 27th OCTOBER

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HOPKINSONS HOLDINGS LIMITED

INTERIM REPORT

RESULTS

The unaudited results for the six months to 28th July are:—

	1978 £000	1977 £000	Year to 27 Jan. £000
Turnover	20,361	16,212	35,444
Group trading profit	2,219	1,824	4,484
Interest paid	(120)	(142)	(269)
Investment and other income	28	14	61
Group profit before taxation	2,127	1,696	4,276
Taxation	1,137	892	2,252
Group profit after taxation attributable to holding company	990	804	2,024

In view of the very limited growth continuing in the industries we serve, the results achieved in the first half of the year are, I feel, satisfactory. We are continuing to obtain a reasonable share of the longer term orders available. Short term orders requiring quick delivery have during the past six months become progressively more difficult to obtain at reasonable profit margins and unless there is a reversal of this trend then its effect will be felt in the second half of the year.

INTERIM ORDINARY DIVIDEND

The Board has decided to declare an interim dividend on the ordinary shares of 1.5p per share (last year 1.35p per share) for the year to 2nd February 1979 which will be paid on 5th December 1978 to shareholders registered on 10th November 1978.

Birkby Grange, Huddersfield.
25th October, 1978.

Ian G. Hopkinson
Chairman.

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MINING NEWS

Tronoh in new tin venture

BY KENNETH MARSTON, MINING EDITOR

A JOINT VENTURE tin mining deal has been signed between Malaysia Mining Corporation (28.6 per cent-owned by Charter Consolidated), Tronoh Mines and the Perak State Economic Development Corporation.

It covers the mining of 1,000 acres of land near Ayer Kuning in Perak State. The new Malaysian venture is expected to produce about 200,000 picuIs (12,090 tonnes) of tin ore over a 15-year period. The land is to be purchased from Tronoh for M$2m (£462,160). The two medium-sized dredges will be purchased for about M$26m and will work the area from 1981 to 1996.

MMC will have a 40 per cent stake in the venture while Tronoh and the state corporation will each have 30 per cent. This is the third venture which the Perak corporation has entered into, it also being in partnership with Perak Dredging and Pernas Mining to operate in two other areas in the state.

Tronoh acquired the land in in the mid-1960s and negotiated an agreement in March, 1973 to mine it through a joint venture split 70-30 per cent between Tronoh and the state authorities.

The present agreement has emerged from about five years of renegotiations between Tronoh, MMC, the state authorities and Malaysia's foreign investment committee.

Meanwhile, little further progress appears to have been made towards an agreement permitting the development of MMC's a[...] Tronoh's largest potential joi[nt] venture, the deep level tin pr[os]pect at Kuala Langat in Sou[th] Selangor state.

Shares of Tronoh were 5p [...] at 250p yesterday.

Esso's uranium drilling in Saskatchewan

The significance of the E[sso] Minerals Canada uranium find [at] Midwest Lake, Saskatchewan, [has] been further enhanced by [the] latest drilling results.

After the completion of [...] vertical drillholes, it has be[en] found that 81 have encounter[ed] significant radioactivity, accordi[ng] to Esso Minerals which [is] managing the project for its jo[int] venturers, Numac Oil and Gas a[nd] Bow Valley Industries.

The mineralised zone, which [is] still open at both ends, so [far] extends 7,000 ft with what E[sso] Minerals called erratic miner[ali]sation at the south west extensi[on]. Earlier announcements in S[ep]tember had given the deposi[t a] length of 5,800 ft and a width [of] 600 ft.

The deposit is widely thou[ght] to contain up to 300m lb [of] uranium and is considered to [be] one of the richest discoveries [in] North America over recent ye[ars]. Esso Minerals plans developm[ent] before 1984.

Asarco and Cominco see better days

ASARCO and Cominco, two of the major North American base-metal groups, both predict improved market conditions and better results during the final quarter of the year.

The assessments accompany third quarter figures, announced yesterday, showing that Asarco's financial position is improving after a heavy first quarter loss and that Cominco is still running behind the rate of earnings in 1977.

During the September quarter, Asarco, which is based in New York, had net earnings of $9.6m (£4.8m), compared with a loss in the same period of 1977 of $11.16m. This brings net profits for the first three quarters of this year to $766,000, against $11.7m in the first nine months of 1977.

The group came back into profit during the second quarter after a 1977 annual loss of $29.5m and a first quarter loss for this year of $11.13m.

Improved markets and prices for copper, lead and silver have helped the turnaround and also gave rise to a non-recurring profit in the last quarter of $6m as excess stocks were sold off.

"The strengthening of the markets for Asarco's four major metals—copper, lead, zinc and silver—in the third quarter appears to be soundly based and we expect it to continue in the fourth quarter," said Mr. Charles Barber, the chairman.

For its part, Cominco noted that prices for refined zinc and zinc concentrates were at levels below those of last year, although demand for refined zinc had improved. Lead demand is strong, and with gold and silver prices significantly above last year's levels, these factors should be reflected in annual earnings.

"With improved prices and a steady demand for the company's principal products, the outlook for the fourth quarter is more encouraging," said a spokesman for the Vancouver-based group.

After nine months of the current year, net earnings at Cominco had reached C$33.1m (£13.9m), against C$48.5m over the same period of 1977. During the September quarter net earnings were C$7.3m compared with C$10.7m in the same three months last year.

MTD (MANGULA)

A reduced net profit for the year to September 30 of Rh$3m (about £1.44m) compared with Rh$3.5m a year ago, is announced by MTD (Mangula), the Rhodesian copper producing subsidiary of South Africa's Messina group. A final dividend of 8 cents make[s a] total for the year of 11 ce[nts] against 14 cents last time.

Pre-tax earnings showed [an] increase to Rh$4.1m [from] Rh$3.72m, but the tax charge [on] the latest occasion advanced [to] Rh$1.1m from only Rh$22[...] last time. A reduction in the p[ast] year's sales leaves Mangula w[ith] increased stocks of 5,882 tonnes.

IMPROVEMENT AT LORNEX

Thanks to higher prices [for] molybdenum, Canada's Lor[nex] operation in British Columbia increased net earnings for [the] first nine months of this year [to] C$7.65m (£3.22m) from C$[...] in the same period of 1977. [A] dividend of 20 cents is decla[red].

Copper revenue was m[ain]tained, reduced production hav[ing] been offset by better prices. Rio Tinto-Zinc group owns 51 [per] cent of Lornex while some [...] per cent is held by Yukon C[on]solidated.

ROUND-UP

Consolidated Gold Fie[lds] Australia is actively seek[ing] opportunities for expansion. [At] yesterday's Sydney meeting, [Mr.] S. L. Segal, the chairman, ad[ded] that the company was well pla[ced] in this respect with sizeable c[ash] resources of about A$2[...] (£11.7m). The group's ma[jor] losses have been staunched [and] those that are still being incur[red] should be available to minim[ise] tax in future years. In the y[ear] to June 30 CGFA earned A$7.0[...] after making a loss in [the] previous 12 months of A$243[...].

★ ★ ★

An estimated net profit [of] A$1.18m (£687,500) for the f[...] quarter is reported by Austral[ia's] North Broken Hill Holdings. [This] compares with A$1.3m a year e[arlier]. In the latest quarter there w[ere] substantially higher sales of l[ead] and silver together with a [...] marked rise in those of [...] concentrates. The price recei[ved] for the last-named, however, [was] considerably lower.

★ ★ ★

Australia's Otter Explora[tion] and Samantha Mines have reac[hed] agreement for a joint vent[ure] over their diamond explorat[ion] claims in the Mount Percy-Mo[...] North area of the W[est] Kimberleys with Selection Tru[st's] AS Mining Ventures. The l[ast] named can earn an interest [of] 60 per cent in the prospect [by] spending A$13m on explorati[on]. Airborne geophysical surveys h[ave] started.

Peerage of Birmingham sees profit cut

Owing to problems arising from the expansion of the group's foundry, profits before tax of Peerage of Birmingham were reduced from £248,000 to £126,100 in the first six months of 1978.

And because of other problems, profits for the year will be significantly lower than the £552,000 achieved in 1977, the directors say.

However, general trading is good and the group should be back to normal profitability in 1979 without taking into account the results of the investment in the new foundry.

The directors explain that late delivery of machinery and subsequent difficulties in commissioning resulted in a fall in the supply of castings to the group's other factories which seriously reduced their output and although order books were good, dispatches were affected.

The supply of castings has now been improved sufficiently to maintain the group factories on full output, but the creation [of] this new division is complex a[nd] losses are continuing and are [not] expected to be erased until n[ext] year.

The directors remain confid[ent] in the future prospects for [the] group and the interim dividend [is] to be increased from 0.75p [to] 0.825p per share which, desp[ite] the lower profits, is still w[ell] covered.

Following the reduction in [the] rate of ACT an additional fi[nal] dividend of 0.0132p per share w[ill] be paid for 1977 making a to[tal] of 1.630p per share for that ye[ar]. This dividend will absorb £435[...].

Discussions are still taki[ng] place which might lead to an off[er] for the company. However, the[y] have been considerably delay[ed] due to the need to analyse mo[re] carefully the problems incurr[ed] through the foundry expansi[on]. Talks are continuing and [an] announcement will be made [as] soon as possible, the directo[rs] state.

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BIDS AND DEALS

UB paying over £4m for Pizzaland chain

BY ANDREW TAYLOR

United Biscuits, which has been pidly expanding its restaurant id catering supply interests, is acquire Associated Restaurants which operates the Pizzaland ain—in a deal worth £4.4m.

The bakery group which almost o years ago acquired the impey and Golden Egg franises has agreed to buy Associated Restaurants from Associated Newspapers, which conols 51.5 per cent of the shares. ie remaining shares are held around a dozen employees of sociated Newspapers who have so agreed to sell their stake to nited Biscuits.

United Biscuits already owns a ain of around 150 restaurants rough its D. S. Crawford subliary but these operate largely Scotland and the North East.

Mr. Alastair Clark, financial ntroller for United Biscuits, said sterday that Associated staurant operates mainly in the uth and the Home Counties—incipally through its Pizzaland ain—although it did own some h-and-chip shops in the North st.

He said that the deal marked important stage in UB's plans diversify into the restaurant siness. Associated Restaurants erates from around 50 sites.

In addition UB also holds the nchise for around 800 Wimpey d Golden Egg snack-bars but s recently broken tradition by quiring "a handful" of its own mpey restaurants.

Mr. Clark said that the UK rket for biscuits had remained atively static in recent years d the group had been searching other interests with greater owth potential.

"We believe that more and re people are eating out and ve therefore been looking to pand our existing restaurant siness and also to diversify into the catering supply trade—principally in frozen foods."

UB sales of frozen foods have advanced from virtually nothing to around £20m a year over the last two years. In August the group paid £700,000 cash to acquire the T. Pittas bakery concern in a move to strengthen this side of its business.

To meet the cost of this latest deal UB is issuing 4.3m new shares with the balance—around £1m—to be paid in cash.

Last year Associated Restaurants earned pre-tax profits of £763,000. Net tangible assets in the the last accounts were stated at £2.3m—including a property revaluation surplus of £1.3m.

The group—which is to retain Mr. David Dutton as managing director—will now come under the umbrella of D. S. Crawford which also operates a string of bakeries and bakery shops.

Last year Crawford generated sales of around £30m while earning profits estimated at around £1m. Total UB sales last year were £630m while pre-tax profits rose to £38m.

Whitecroft offer for Randalls

A SHARE and cash offer is being made by Whitecroft, the textile and building and engineering supplies concern, for Randalls Group, a wholesale distributor to the building trade which also announced a 44 per cent increase in interim profits. The offer, which has been accepted by Randall's board puts a value of £2.8m on the group.

Randall's shareholders are being offered one ordinary share of 25p in Whitecroft and 114p in cash for every two ordinary shares of 25p, worth 110p a share in all. Randall's shares rose 13½p to 111.5p on the announcement, while Whitecroft's shares ended the day unchanged at 107p.

At the same time that the offer was announced Randall's reported its half year results for the six months to June 30, 1978. These showed pre-tax profits improved by 44 per cent to £179,400 on turnover of £11.3m compared with £10.72m.

Mr. C. R. Randall, the chairman, said the group's recovery rate in the current year has been "encouraging and trading should be reasonably satisfactory for the year as a whole."

An explanation why the board agreed to Whitecroft's offer is to await the offer document. Meanwhile the board and the group's financial advisers intended to recommend the terms offered by Whitecroft.

Directors and other shareholders had already accepted in respect of 32.1 per cent of the total holdings.

Whitecroft said yesterday that the acquisition of Randall's would provide it with a logical extension to its existing building and engineering supplies division. Randall's business is concentrated mainly in the southern part of England and in Wales, while Whitecroft's business is centred mainly in the north of England.

The main uncertainty last night was over the Ferguson Industrial Holdings stake. Ferguson increased its stake earlier this month to 24.57 per cent in Randalls and talks between the two groups had taken place although no agreement had been reached.

Beecham woos Parfums Givenchy

By David White

PARIS, Oct. 25.

THE BEECHAM GROUP has made a preliminary takeover bid for Parfums Givenchy the prestige French perfume concern. M. Jean-Claude de Givenchy, the chairman, said that Beecham had made a proposal to purchase a majority stake. He declined to give details but indicated that discussions were going on.

Parfums Givenchy has a nominal capital of FFr 3m (£350,000) held entirely by M. Jean-Claude de Givenchy and his brother.

The bid relates only to the perfume company, which produces mens' and women's toiletries, and not to the other three companies, run by the de Givenchy family, the Givenchy fashion house, an off-the-peg women's clothing business, Givenchy Nouvelle boutique, and a men's outfitters, Givenchy Gentleman.

Parfums sales last year were FFr 96m (£11.4m) and it showed a gross profit of FFr 13m (£1.54m). M. de Givenchy said sales were expected to pass the FFr 100m mark this year and the company was continuing to experience rapid growth after sales increases of 20-30 per cent a year. Exports accounted for around two-thirds of turnover last year.

Two drop forgers suspended

Two West Midland drop forgers and industrial fastening manufacturers asked for their shares to be suspended on the Stock Exchange yesterday pending an announcement.

The two companies are Warne Wright and Rowland, and Benjamin Priest which operate in similar areas of business and produced similar profits in their last full year.

Warne Wright has the larger turnover, £20m compared with Priest's £13.7m, and both produced increases in profit despite poor industry conditions last year. Priest's profits to March rose by 30 per cent to £1.3m and Warne produced a record £1.4m in 1977.

Since the year end Warne has produced interim figures which, although slightly ahead, suggest that there will be no overall improvement for the full year, while Priest claims that the year has started well "in the majority of areas."

At the beginning of the year Priest acquired R. and A. G. Crosland, an industrial fastener manufacturer, for £3.3m. At the time Mr. Charles Wardle, chairman of Priest, said that the company planned to diversify within the engineering field.

Priest's shares were suspended at 86p, down 1p on the day, and Warne's were unchanged at 53p.

STOREY ACQUIRES TRANSPRINTS (UK)

Turner and Newall's wholly owned subsidiary, Storey Brothers and Company, has acquired full control of Transprints (UK). The ownership of Transprints was previously held, 25 per cent each, by ICI, Tootal, Yorkshire Chemicals and Storey.

The consideration is not material in the context of the companies involved.

Storey is the sole supplier of transfer print paper to Transprints which is a major supplier of the product to the textile industry on a worldwide basis.

CROUCH GROUP

Trustees of G. T. Crouch, deceased, have placed 350,000 shares in the Crouch Group at 68p each. Their holding has been reduced, accordingly, to 25 per cent.

Hopkinsons cautious after £0.4m rise so far

WITH TURNOVER ahead from £16.21m to £20.36m taxable profit of Hopkinsons Holdings jumped from £1.7m to £2.13m in the July 28, 1978 six months.

In view of the limited growth continuing in the industries served by the group, directors consider the results satisfactory. It continues to obtain a reasonable share of the available longer term orders.

Short term orders requiring quick delivery have in the past six months become progressively more difficult to obtain, and they say that unless there is a reversal of this trend then its effect will be felt in the second half of the year.

Profit is after interest of £120,000 (£142,000) and investment and other income doubled to £28,000. Net profit came out at £990,000 (£804,000) after tax of £1.14m (£0.89m).

Interim dividend is up from 1.35p to 1.5p net per 50p share. Last time, on profits of £4.28m, a 3.71p final was paid.

The group manufactures boiler mountings, valves, etc.

● comment

Hopkinsons' 25 per cent first half profit jump is impressive when compared with the rest of the sector and when examined in the light of the limited growth in its markets. But it is a little disappointing after the chairman's confidence in the annual report last April. The problem appears to lie in the "off-the-shelf" business the group has been developing over the past few years and which now accounts for about 30 per cent of production. Margins are being squeezed because of flat demand and growing competition to the extent that the company has sounded a warning about a weaker second half result. The mainstay of the group is still the longer term work for the power generation industry. Here it has been able to get a reasonable share of orders at good margins. The shares dropped 6p to 112p on the news which, if last year's pre-tax figure of £4.3m is maintained, gives a prospective p/e of 6 and a yield (assuming dividend is lifted by 10 per cent) of 7.5 per cent. This is a below average rating for a capital goods components supplier.

Highgate will recover only £70,000

Shareholders of Highgate Optical and Industrial were warned yesterday that only around half of £141,000 the group is owed by Manufrance of St. Etienne is likely to be recovered.

Mr. Ian Rankin, joint chairman of the group, told shareholders at yesterday's AGM that the French Government had put forward new proposals to save Manufrance.

Under the terms of the rescue Societe Hachette would take over the viable trading activities of Manufrance and in return Manufrance creditors would receive only 50 per cent of the money owed. The £141,000 is owed to Highgate's French subsidiary Societe Parisienne de Jumells Prismes.

Highgate in its last accounts, for the year 1977, made an £18,060 provision against the French debt. This provision, however, was qualified by auditors Kinnaird and Co. which said it could not comment on the adequacy or otherwise of the provision.

Six months advance by Lilleshall

Announcing pre-tax profits more than doubled from £56,345 to £126,257 for the 26 weeks to July 1, 1978, the directors of Lilleshall Company say the second half figure should not be less than in the same period of 1977. For all last year, £130,305 was reported.

Turnover for the period was virtually unchanged at £5.14m (£5.16m), while trading profits rose from £186,515 to £261,395. After tax, the net figure was £60,603 against £27,046.

Earnings per 10p share are shown up 1.5p to 2.6p and the interim dividend is raised to 0.683p (0.5p) net—in 1977 payments totalled 1.75p.

While demand for steel remains at a low level and competition is still fierce, the group's mill and stockholding divisions are trading profitably. The engineering sector's overall trading is now profitable at a level slightly above break even point, the directors report.

First half increase at Philip Hill

FOR THE half-year to September 30, 1978, gros revenue of Philip Hill Investment Trust was higher at £4.53m against £3.83m and net earnings climbed from £1.97m to £2.41m.

Owing to the incidence of certain dividends during the first six months of the current year, the directors do not expect earnings for the second period to show the same rate of increase as in the half now reported.

Stated earnings per 25p share are 5.01p (4.11p) and the interim dividend is raised from 2.5p to 2.75p net, costing £1.32m (£1.2m)—the 1977-78 final was 5.4p from £3.79m earnings.

At the half-year, net assets are shown at 255.5p (225.5p at March 31, 1978) per share.

Dawson share price supports reservations, claims Baird

The muted response of Dawson ernational's share price to the kage of defensive measures the mpany has produced reflects liam Baird's reservations about assumptions underlying the fits forecast and Dawson's nagement, according to Mr. nley Field, Baird's chairman, a statement yesterday.

On the other hand, Samuel ntagu, the merchant bank ich is advising Dawson on its fence against Baird's £30m cash d share bid, argued that the are price is languishing under e weight of speculators that ve been selling out since Baird ated earlier this week it would t raise the value of its offer.

"Throughout the offer period date, and despite recent purases by associates, the Dawson ice has remained below the lue of Baird's share and cash ers except for days when ere was speculation that Baird uld increase its offers," Mr. ld claimed.

Samuel Montagu conceded that shares should have been rated by the market but said t institutions are unwilling ers in the uncertain market nosphere surrounding the minent closure of the Baird

In the light of the technical ation arising from the certainty we have been buying ares because we think they are eap," Montagu said.

The stockbroking firm Cazenove d Co. yesterday announced y had bought 23,000 Dawson ares on behalf of Samuel ntague, 23,500 shares on behalf of managed clients of Samuel Montagu and 23,500 shares on behalf of Woodbourne nominees, nominees for the family of Mr. Alan Smith, Dawson's chairman. The purchases were made at 195p on Tuesday.

Bell Lawrie MacGregor also announced that it had bought 15,000 Dawson shares for discretionary clients, at 195p on Tuesday.

STERLING CREDIT U.S. PURCHASE

Sterling Credit Group, with interests in instalment credit, banking services and insurance broking, is taking a 65 per cent shareholding in a U.S. insurance broker, Major Surplus of New Jersey. Sterling Credit, which is making the purchase through its subsidiary Dewey Warren (North America) Inc., is paying $200,000 (£98,500) for its stake, and another amount, not exceeding $100,000, which is dependent on the income of the company over the next two years.

For the nine months ended June 30, 1978 Major Surplus disclosed profits of $77,000 and the attributable net asset value at the date of acquisition was $4,000.

Sterling said yesterday that the acquisition will assist the development of its insurance broking activities in the U.S.

SHARE STAKES

Westinghouse Brake and Signal—Prudential Assurance holds 2,594,300 shares (6.00 per cent).

Chubb and Son—Kuwait Investment Office sold 100,000 shares between October 16 and 18, leaving interest at 5,556,250.

Allied Plant Group—South Yorkshire C C pension fund on October 23 sold 50,000 shares. Holding is now 581,666 shares.

Trust Houses Forte—Kuwait Investment Office has acquired interest in further 25,000 shares making total interest 5,325,000 (5.29 per cent).

A. and C. Black (Publishers)—Park Place Investments holding is now 105,000 shares (10.9 per cent).

Black and Edgington—Following the acquisition of the Gailey Group from J. F. Nash Securities, Mr. J. F. Nash, now a director of Black and Edgington, has an interest in 1,004,644 ordinary units (5.9 per cent). Black and Edgington has also been notified of interest (also included in Mr. Nash's interest) in 954,994 ordinary units (5.2 per cent) held by J. F. Nash Holdings.

Chapman and Company (Balham)—John Dickinson has disposed of its holding of 239,000 ordinary shares (10 per cent).

Adda International—Mr. G. J. Erbmann, director, has sold 200,000 shares.

Hambros Investment Trust—A subsidiary of Hambros Limited has bought 155,000 shares. As a result Hambros Limited and subsidiaries are beneficially interested in 2,745,250 shares (10.29 per cent).

Lowland Drapery Holdings—Midland Bank Trust Company, 67231 account, unit trust department, 119 Old Broad Street, London, EC2, has bought a further 23,000 shares making total holding 6.8 per cent.

Sirdar on course for further improvement

WITH SALES volume continuing to increase Mrs. Jean Tyrrell, chairman of Sirdar, hand knitting yarns group, says in her annual statement that she sees no reason at present to doubt that a further record result will be achieved in the current year.

The investment programme will continue and it is intended that a further £2m will be spent on plant and buildings in the year financed from cash flow and further grants within the textile scheme, she adds. Improved cash flow has not only financed the investment programme but has also enabled borrowing to be reduced substantially.

Investment in fixed assets during the year under review amounted to almost £1.9m while the term loan of £1m and the Euro-currency loan, the most costly portions of borrowing, have been repaid and the debt ratio reduced from 69 per cent to 38 per cent leaving the balance sheet in a much stronger position.

As reported on October 12, group pre-tax profit rose from £1,136,191 to a record £2,110,355 for the year to June 30, 1978. The net dividend total was lifted from 2.79923p to a maximum 3.14782p per 25p share and a one-for-two scrip issue is recommended.

The optimism expressed last year has proved fully justified with a 17 per cent increase in turnover and a considerable improvement in pre-tax profit, Mrs. Tyrrell now says.

Although exports were disappointing and trading in Europe was still depressed the home market, including the Irish Republic, continued to show good growth with Hayfield Textiles making a good contribution to the excellent results.

In Germany the loss of a mail order customer caused a substantial reduction in turnover at Sirdar-Striga, Mrs. Tyrrell says.

It has not yet proved possible to replace this business which consequently showed a loss of £110,000 and in view of the continuing depressed state of trade a further provision of £100,000 has been made against possible stock losses.

Trading in Switzerland has shown no improvement but reduction of overhead expenses through internal re-organisation enabled Sirdar-Striga A. G. to break even after the previous year's heavy loss.

In the UK, unlike the remainder of the textile industry which still recorded declining output in every other sector, hand-knitting showed a 15 per cent growth and the Sirdar group not only reaped the full benefit of this increase but also improved its share of the market, demand for Sirdar and Hayfield yarns has remained high throughout the year.

At year end fixed assets were £5.85m (£4.47m) while net current assets were £3.08m compared with £3.52m.

Meeting, Wakefield, November 16 at noon.

ASSOCIATES DEAL

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On October 24 Vickers da Costa (brokers to J. Haggas) bought 5,000 J. Dawson International ordinary shares at 201p on behalf of a discretionary investment client.

Pre-tax profits increased by 35%

Dividend increased by 100%

Net assets per share increased by 61%

	YEAR TO 31ST JULY 1978 £000	1977 £000
TURNOVER	11,132	8,507
PRE TAX PROFIT	573	426
DIVIDEND PER SHARE (NET)	0.55p	0.27489p
EARNINGS PER SHARE	2.77p	2.52p
*NET ASSETS PER SHARE	12.78p	7.96p

*(Net Assets include those of A P Skelton which was acquired on 31st July 1978).

During the year the group has both strengthened its capital base and extended its activities through the acquisition of James Warren and A P Skelton respectively. The profits of A P Skelton are not included in the results of the group for the year ended 31st July 1978. If the profits of Skeltons for the year ended 31st March 1978 were included the following would be the effect:—

	PRO FORMA INCLUDING SKELTON £000	ACTUAL RESULTS FOR 1978 £000
TURNOVER	13,795	11,132
PRE TAX PROFIT	823	573
EARNINGS PER SHARE	3.43p (36.1% increase on 1977)	2.77p

Your board look forward to further progress in 1979.

S.H.LUNT
Chairman

The Talbex Group Limited

To the Shareholders of
Dawson International Limited

Pringle of Scotland
Ballantyne
BRAEMAR
barrie
Barrie Knitwear Ltd
J. & D. McGeorge
Glenmac

Dawson International = Quality products, management, workforce and profits

Do not give up your ownership of them

IGNORE THE BAIRD BID

This advertisement is placed by Samuel Montagu & Company Limited on behalf of Dawson International Limited. The Directors of Dawson International Limited (with the exception of Mr. S. A. Field) have taken all reasonable care to ensure that the facts stated and the opinions expressed herein are fair and accurate and that no material facts have been omitted and they jointly and severally accept responsibility accordingly.

Associated Dairies Limited

Salient figures for the year ended	29/4/78 £'000	53 weeks ended 1.5.77 £'000
Profit before tax	26,202	23,941
Profit after tax	12,601	11,271
Retained earnings	11,878	10,631
Ordinary Dividends	0.86598p*	1.03253p

*Capital increased by 1 for 3 scrip issue October 1977

Extracts from the Statement circulated to shareholders by the Chairman, Mr. A. N. Stockdale

Finances

In presenting to shareholders the report and accounts for the 52 weeks to 29 April 1978 I am pleased to report that group profits before taxation and extraordinary items increased to £26,202,000 (£23,941,000). The profit earned for ordinary shareholders is £12,574,000 (£11,244,000) and we are proposing to pay a final dividend of ·41598p per share, which together with the interim dividend of ·45p per share, makes a total of ·86598p per share for the year. This compares with ·7744p per share for the previous year on the increased capital. It is, for the relevant period, the maximum permitted under the current counter inflation legislation, and leaves £11,878,000 (£10,631,000) to be added to retained profits.

Your directors consider that the present state of reserves makes it desirable to recommend a capitalisation issue of one ordinary share for every three ordinary shares, for every three partly paid ordinary shares and for every three 'A' ordinary shares held.

Inflation accounting

There is now a large measure of agreement amongst financial experts that it would be desirable to show the effects of inflation on companies' profits. It is, however, evident that opinions vary as to the methods that should be adopted in calculating such statements.

Your board, therefore, considers that until such time as a uniform standard is acceptable to all concerned, no useful purpose would be served in presenting such a statement in the case of your company.

Superstores

The stores which were in course of development in 1977/78, referred to in my last year's report, are now trading. Planning permissions have been granted, to ensure a similar number of store openings, both in the present financial year, and that of 1979/80.

In the year under review the recession in consumer spending was totally predictable. We have, in previous years been trading in a climate of earnings increasing considerably in excess of the rate of inflation. Successive incomes policies reversed this cycle and the Country experienced for the first time in many years a rate of inflation in excess of wage settlements. Naturally, therefore, pressures were brought to bear on the housewife's purse and competition grew fiercer to maintain market share. Statistics published on consumer spending would appear to contradict these facts. However, it must be appreciated that these statistics were distorted by the additional volume of trade generated during the Jubilee year of 1977 by overseas visitors; this for the most part was confined to the Home Counties, in which area your Company was not represented.

It is, however, to the future that we must turn. My colleagues and I are cautiously optimistic. There is already a perceptible increase in spending. Wage settlements are now considerably in excess of the rate of inflation, and together with the small decreases in taxation, one can foresee an increase in momentum in consumer spending during the present financial year.

Meat products division

The abattoir at Lofthouse has now been rebuilt, and conforms with EEC standards. The slaughtering capacity has been more than doubled, from 1,200 to 3,000 pigs per week.

The volume of meat products through the stores has increased by 19% for the period under review. Cooked meat and despatch buildings are in course of construction and scheduled for completion in May 1979.

Dairy division

On 31 May 1978, your company had the honour of a visit by His Royal Highness Prince Charles to officially open the Benton Dairy in Newcastle. In a short address, he unashamedly confessed his taste for dairy products and later created a lasting impression on all the staff by the detailed interest he showed in all aspects of milk reception and processing.

This Division had a splendid trading year. Overall sales of milk have increased during the year. Milk sales to the doorstep have been maintained, largely due to the excellent service that the customer receives from the milkman. In my opinion, this service is the linch-pin to milk sales for the future.

Sales of milk products show increases although we would have liked a more stable market in respect of butter and cheese.

Negotiations with Government were finalised as to the future control of the industry, and it is now able to settle down and take a longer term view. Government will still control the maximum retail and producer's prices, together with the continuance of costings and a target rate of profit.

We were also pleased that the future of the Milk Marketing Board was resolved, and look forward to the continuing partnership in trade and farming matters.

The Dairy Division of your company has now almost completed the heavy capital expenditure in plant and buildings, to which I referred last year. This puts it in a position to take advantage of future developments in the market.

Wades Departmental Stores

In August 1978 an offer was made for the share capital of the above company, which specialises in up-market furniture and carpets. Your directors consider this to be a sound investment, albeit in a vastly different field to that in which your company is at present involved.

Later this year, Wades will be opening two new branches in district centres at South Woodham Ferrers and Crewe, which have been developed by your company and sited adjacent to an Asda store.

I am satisfied with progress attained during a year, when any growth was at a premium. Our management and staff were at all times subject to increasing pressures to meet an exacting budget. That this was not attained, were for reasons outside their control. Spirits never wavered; teamwork never faltered; I pay the highest tribute to them all.

At the Annual General Meeting held on 25th October, a resolution giving effect to a Bonus Issue of 1 Ordinary Share for every 3 held was approved.

Associated Dairies Ltd., Craven House, Kirkstall Rd., Leeds LS3 1JE

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

Bethlehem Steel looks for continued profits recovery

BETHELEM, Oct. 25.

BETHLEHEM STEEL'S 1978 second and third quarter results were "much improved over the immediately preceding quarters" and the company believes "this improvement will generally continue for the balance of the year."

The company announced net earnings for the third quarter of $64.4m or $1.48 a share, compared with a loss of $477,000 or a loss of $10.92 a share in the same quarter last year. Sales increased from $1.29bn to $1.57bn.

This brings the nine months net earnings total to $150.6m or $3.45 a share, against a loss of $467.4m or a loss of $10.72 last time. Sales for the nine months came out at $4.56bn against $4.05bn.

The company continues to realise significant benefits from the actions taken last year to close marginal facilities, reduce overhead and improve efficiency.

Bethlehem said, however, it expects 1978 earnings "to fall short of our goal of achieving a rate of return at least equal to the average rate of return of all manufacturing companies."

Bethelehem estimated 1978 year U.S. industry shipments of about 96m tons compared with 91.1m tons in 1977. The company earlier this year had predicted 1978 year shipments of about 97m tons.

Its new estimate was based on 1978 year steel imports exceeding the 19.3m tons shipped the year before. For the first eight months of the year, imports totalled 14.4m tons compared with 11.5m the year before.

Bethlehem is "working closely" with Government officials "to arrive at an acceptable solution" to the import situation and hoped "an answer will have been found" before the year end.

Earlier estimates that 1978 year capital spending would be about $425m compared with $551.9m in 1977 were repeated. Capital spending would be "down in 1979 but up again in 1980." No figures were given.

The 1978 third quarter raw steel production was 4.8m tons compared with 3.8m in 1977, while nine months production was 13.8m up from 12.5m the year before.

Bethlehem said a number of factors adversely affected 1978 third quarter results, including costs and increased steel imports and the fact that shipments were 7.1 per cent less than in the second quarter.

Marine construction operations had 1978 third quarter and nine months losses due primarily to its Sparrows Point, MD, shipyard. The company also said it was hurt by a strike at Iron Ore of Canada, in which it has a 20 per cent equity interest.

Lockheed income shows hefty decline

By Our Own Correspondent

NEW YORK, Oct. 25.

THIRD QUARTER earnings of the Lockheed Corporation fell sharply, the company reported today, although it detailed a continued improvement in its overall financial position.

The company announced third quarter net income of $9.1m or 53 cents per share, excluding the gain of $18.8m from the sale of its Hollywood-Burbank airport. In the third quarter of last year earnings were $21.9m or $1.50 per share.

For the first nine months of the year, excluding the airport gain, net income was $32.2m or $1.99 per share compared with $47.4m or $3.22 per share in the same period last year.

The company said that nine-month earnings for 1978 include income from the licence fee for the production of the P-3 Orion antisubmarine warfare aircraft in Japan, and compared with the 1977 period reflect 14 fewer C-130 Hercules deliveries and substantially lower S-3A Viking sales as a result of the phase out of the programme in August.

Total sales for the third quarter and nine months of 1978 were $852m and $2.45bn respectively. This compared with $812m and $2.48bn in the same period of 1978.

The company reported a total funded order backlog at September 24 of $4.28bn compared with a restated $3.32bn a year ago.

Currency loss puts brake on Phillips Petroleum

BARTLESVILLE, Oct. 25.

IN MARKED contrast to other leading oil groups, Phillips Petroleum's earnings slipped in the third quarter from a corresponding $123.2m or 80 cents a share to $107.8m or 70 cents a share on revenues up from $1.55bn at $1.75bn.

Profits were ahead at the nine months mark, however, net earnings totalling $411.1m, equal to $2.67 a share compared with $369.8m or $2.41 a share in 1977. Sales were $5.22bn against $4.17bn previously.

The company blamed the setback on the weak position of the U.S. dollar and warned that future earnings may remain lower.

Losses from foreign currency translation were $17.4m or 11 cents a share in the latest quarter and $12.1m or 8 cents a share in the nine months. Last year there were gains of $15.7m or 10 cents in the quarter and $26.9m or 18 cents a share in the nine months.

Earnings at Mobil Corporation moved up by just over 8 per cent to $259m, or $2.44 a share, in the third quarter, with revenues advancing from $8.5bn to $9.1bn.

The group's nine monthly net income rose by 13 per cent to $795m, or $7.50 a share. Worldwide gross crude oil and natural gas production, including amounts received under long-term and special arrangements, averaged 1.98m barrels a day in the first nine months, down 14 per cent from the same period of last year.

Its capital and exploration spending was around $1.05bn in the first three-quarters against $919m. Expenditures in the U.S. accounted for 54 per cent of the total.

At Sun Company, progress was more leisurely in the third quarter; earnings inched up by just over 2 per cent to $97.1m, equivalent to $1.82 a share or $1.69 on a diluted basis. Revenues totalled $1.9bn compared with $1.57bn.

Sun said higher prices for gas and oil had depressed production of crude and lowered demand, with a strike at its Athabasca oil sands operation, foreign exchange losses, and reduced profits from its conventional Canadian petroleum operations also eroding profits.

Adding to Sun's difficulties was a write-off, after tax, of some $9m of surplus inventory at the Sun Shipbuilding and Dry Dock subsidiary. It benefitted, however, from higher demand for refined products and improved contributions from marine and terminal operations.

Agencies.

American Brands up sharply

BY OUR FINANCIAL STAFF

AMERICAN BRANDS, the U.S. tobacco group which owns Britain's Gallaher, kept up its strong earnings advance in the third quarter, thus coming closer to fulfilling its forecast of another record year.

With revenues up by only 10 per cent to $1.3bn, the group's net income moved up by 34 per cent to $52.9m, or $1.99 per share, from $39.4m, or $1.47. For the first nine months, it chalked up a 23.5 per cent earnings gain to $151.3m, or $5.67 a share, after seeing revenues go up by nearly 12 per cent to $3.78bn.

American Brands is currently engaged in buying the rest of Franklin Life Insurance, having purchased around 27.5 per cent from Continental Corporation late last year.

After a strong performance over the first three months, Mr. Robert K. Heimann, the chairman and chief executive officer, said at May's annual meeting that he saw "no reason why American Brands as a whole should not reach record profits again in 1978."

Revere Copper in the red

NEW YORK, Oct. 24.

REVERE Copper and Brass staged a third quarter upturn in sales to $178.7m from $155.5m and expects a continuation of this into the final quarter.

However, the company reported a loss of $5.72 per share in the latest period compared with $1.07 per share profit due to action taken by the Jamaican government regarding Revere's subsidiary, Jamaica Alumina. Revere said it received only $1.1m in insurance on its $64m investment.

Net loss for the quarter stood at $32.6m compared with a $6.1m profit.

For the nine-month period, the primary loss represented $4.07 per share compared with a profit of $1.89 per share. Net loss was $23.1m compared with $10.78m

Reuter

Goodyear expects record

AKRON, Oct. 25.

GOODYEAR TIRE and Rubber, reporting higher third quarter earnings, expects full year results to top last year's record $2.85 per share on sales of $6.6bn.

Net earnings stood at $45.5m compared with $33.5m in the same quarter in 1977. Sales were $1.89bn compared with $1.61bn. The nine month sales were up to $5.45bn from $4.92bn, where net earnings were down for the nine month period to $154.5m from $163.4m.

Mr. Charles J. Pilliod, Jr., chairman, said competitive pricing by tyre makers continues to depress profits, with the effects most severely felt in the sale of new tyres to vehicle manufacturers.

In 1977 Goodyear had net income of $205.8m or $2.85 per share on sales of $6.63bn.

Foreign income in the third quarter was $15.4m bringing nine months earnings abroad to $43.4m, an increase of 28 per cent from a year earlier. Third quarter profits from operations in Asia and Africa and favourable tax positions in other overseas areas helped counter losses from continuing low productivity in England, Mr. Pilliod said.

Agencies

RESULTS IN BRIEF

Safeco scores strong earnings increase

NEW YORK, Oct. 25.

INSURANCE holding company Safeco Corporation scored a strong advance in net earnings per share for the first nine months of the current financial year, with a rise from $5.74 to $6.94. Western Airlines also performed strongly, with a rise from a depressed 89 cents to $4.40 for the same period.

Building materials and metals group Martin Marietta also performed strongly in the period, rising from $3.39 to $4.10. Melville Shoe Corporation moved from $1.68 to $1.99, Clark Equipment, trucks and construction materials, advanced from $3.28 to $4.39, and Chromalloy American Corporation, metal tectonics and transport, lifted net earnings from $2.10 to $2.54.

Other companies reporting advances in nine months net earnings per share included Ryder System, car rental, up from $2.08 to $2.77, Schering-Plough, pharmaceuticals, up from $2.49 to $2.92, Vulcan Materials, construction, metals and chemicals, up from $2.58 to $3.48, and Warnaco, clothing, up from 96 cents to $1.54.

Also for the nine months, textiles concern Fieldcrest Mills advanced from $3.28 to $4.18, General Cable Corporation moved ahead from $1.21 to $1.70, City Investing rose from $1.93 to $3.30, and electrical equipment manufacturer Thomas and Betts increased from 66 cents to 79 cents.

Agencies

Sherwin omits payout

Sherwin-Williams has again omitted a dividend payment on common stock, reports Reuter from Cleveland. It's last payment of 55 cents, was in December 1977. But the president, Mr. William C. Pine, said the company is encouraged by this year's results.

General Foods advance

WHITE PLAINS, Oct. 25.

GENERAL FOODS has announced a 74 per cent increase in second quarter earnings from $28.43m to $49.49m, equalling a rise from 57 cents to 99 cents a share.

Net earnings for the six months to September 30 totalled $106.29m or $2.13 a share compared with $79.18m or $1.59. Six months sales were up from $2.46bn to $2.64bn.

Mr. James L. Ferguson, chairman and chief executive of this grocery and packaged food group said earnings progress had been due to the continuing worldwide recovery of the grocery coffee business and the continued health of the convenience food business.

Mr. Ferguson added that he expects fiscal year 1979 to be a very good one.

Foreign currency translations had an adverse impact of 2 cents a share for the latest quarter and of 4 cents a share for the six-month period.

Agencies

EUROBONDS

Dollar issues stage a recovery

By Francis Ghilès

FORTUNES were mixed in the international bond markets yesterday. Prices were off again in the D-Mark sector. Among dollar issues prices were marked down by ¼ to ⅜ per cent of a point in the morning but recovered in the afternoon, with some triple A rated names finishing the day about three eighths of a point higher.

In the DM sector, the widening yield gap between domestic and foreign bonds finally caught up with the market where professionals marked prices down by about ½ of a point. Domestic bonds are now yielding, on equivalent maturities, about 1 per cent more than foreign ones. And this gap is widening.

This led Deutsche Bank to increase the coupon on its European Steel and Community DM150m ten-year bond from 5¾ per cent to 6 per cent before pricing it at par. This bond will now yield 6 per cent. Had the indicated coupon and expected pricing of 99 been maintained, this bond would only have yielded 5.88 per cent.

The DM150m bond for Bank America Corporation was due to be priced last night but indications in pre-market trading suggested it was holding up much better than other bonds which have come to the market in the past week. Thus the new bonds for ECSC, Austria and Argentina were all marked down by a further half point yesterday and are now trading at between two and two and a half points below their issue price.

In the dollar sector it was a mixed day. Prices fell in the morning but mostly recovered in the afternoon while trading was described by dealers as hectic. Triple A names finished the day higher than at the start of trading. Buying interest appeared to come from U.S. institutional investors—not European—which is not surprising considering that the U.S. currency finished the day weaker against all major currencies. The $25m floater for Gotabanken was priced at par with conditions otherwise unchanged by the lead manager S. G. Warburg.

Prices in the French franc sector were stable in quiet trading. The second franc-denominated bond since this sector of the market was reopened last month for Unilever was well received by the market.

U.S. QUARTERLIES

ACF INDUSTRIES

Third Quarter	1978 $	1977 $
Revenue	194.9m	164.7m
Net profits	9.88m	7.49m
Net per share	1.13	0.86
Nine months		
Revenue	593.2m	521.6m
Net profits	27.6m	25.5m
Net per share	3.16	2.93

ALASKA INTERSTATE

Third Quarter	1978 $	1977 $
Revenue	55.4m	51.7m
Net profits	1.25m	1.09m
Net per share	0.25	0.24
Nine months		
Revenue	157.9m	140.5m
Net profits	5.65m	4.02m
Net per share	1.13	1.09

ALBANY INTERNATIONAL

Third Quarter	1978 $	1977 $
Revenue	66.4m	59.3m
Net profits	3.9m	3.6m
Net per share	0.74	0.69
Nine months		
Revenue	208.7m	191.1m
Net profits	13.3m	11.7m
Net per share	2.52	2.23

ALLEGHENY LUDLUM

Third Quarter	1978 $	1977 $
Revenue	311.9m	209.7m
Net profits	6.45m	4.09m
Net per share	0.28	0.36
Nine months		
Revenue	983.3m	670.7m
Net profits	23.08m	15.82m
Net per share	1.28	1.56

AMER. ELEC. POWER

Third Quarter	1978 $	1977 $
Revenue	615.8m	521.5m
Net profits	50.1m	53.5m
Net per share	0.48	0.52
12 months		
Revenue	2.29bn	1.99bn
Net profits	249m	235.2m
Net per share	2.41	2.46

ANHEUSER-BUSCH

Third Quarter	1978 $	1977 $
Revenue	649.5m	520.4m
Net profits	38.5m	30.5m
Net per share	0.85	0.68
Nine months		
Revenue	1.7bn	1.4bn
Net profits	92.1m	75.3m
Net per share	2.04	1.67

CAMPBELL TAGGART

Third Quarter	1978 $	1977 $
Revenue	281.5m	239.2m
Net profits	8.39m	8.40m
Net per share	0.76	0.67
40 weeks		
Revenue	673.1m	590m
Net profits	22.01m	19.22m
Net per share	2.01	1.78

CAP. CITIES COMM.

Third Quarter	1978 $	1977 $
Revenue	90.5m	75.1m
Net profits	12.3m	9.6m
Net per share	0.86	0.64
Nine months		
Revenue	266m	218.9m
Net profits	39.2m	30m
Net per share	2.74	2.00

CAPITAL HOLDINGS

Third Quarter	1978 $	1977 $
Revenue	124.2m	116.5m
Net profits	19.6m	17.9m
Net per share	0.68	0.62
Nine months		
Revenue	372.5m	341.6m
Net profits	57.1m	50.2m
Net per share	1.98	1.74

CARPENTER TECHNOLOGY

First Quarter	1978 $	1977 $
Revenue	96m	80.7m
Net profits	5.8m	5.6m
Net per share	0.68	0.66

CITIES SERVICE

Third Quarter	1978 $	1977 $
Revenue	1.14bn	1.05bn
Net profits	52.6m	40.2m
Net per share	1.91	1.45
Nine months		
Revenue	3.48bn	3.27bn
Net profits	148.3m	155.9m
Net per share	5.36	5.66

COX BROADCASTING

Third Quarter	1978 $	1977 $
Revenue	58m	45.2m
Net profits	8.7m	5.1m
Net per share	1.30	0.80
Nine months		
Revenue	162.9m	135.4m
Net profits	23.5m	16.5m
Net per share	3.52	2.73

CUMMINS ENGINE

Third Quarter	1978 $	1977 $
Revenue	382.4m	305.5m
Net profits	12.59m	13.41m
Net per share	1.49	1.57
Nine months		
Revenue	1.10bn	941.1m
Net profits	47.6m	54.3m
Net per share	5.64	6.73

CURTISS-WRIGHT

Third Quarter	1978 $	1977 $
Revenue	81.1m	76.5m
Net profits	3.87m	3.84m
Net per share	0.46	0.45

DENNY'S

First Quarter	1978 $	1977 $
Revenue	159.4m	141.8m
Net profits	8.49m	7.77m
Net per share	0.98	0.90

DI GIORGIO

Third Quarter	1978 $	1977 $
Revenue	221.4m	212.5m
Net profits	2.66m	2.28m
Net per share	0.43	0.37
Nine months		
Revenue	660.5m	620.6m
Net profits	7.56m	6.58m
Net per share	1.23	1.07

DRAVO

Third Quarter	1978 $	1977 $
Revenue	198.3m	203.8m
Net profits	4.4m	4.1m
Net per share	0.82	0.80
Nine months		
Revenue	518.1m	513.3m
Net profits	9.8m	9.5m
Net per share	1.85	1.81

DR. PEPPER

Third Quarter	1978 $	1977 $
Revenue	79.4m	69.0m
Net profits	7.21m	6.13m
Net per share	0.36	0.31
Nine months		
Revenue	208.4m	173.4m
Net profits	18.5m	15.9m
Net per share	0.92	0.79

M. LOWENSTEIN & SONS

Third Quarter	1978 $	1977 $
Revenue	143.7m	119.4m
Net profits	2.31m	*4.86m
Net per share	0.70	—
Nine months		
Revenue	435.8m	383.1m
Net profits	7.52m	*5.71m
Net per share	2.27	—

*Loss

NABISCO

Third Quarter	1978 $	1977 $
Revenue	546m	508m
Net profits	23.7m	22.7m
Net per share	0.73	0.71
Nine months		
Revenue	1.57bn	1.50bn
Net profits	67.0m	73.5m
Net per share	2.08	2.29

OGILVY AND MATHER

Third Quarter	1978 $	1977 $
Revenue	44.2m	36.6m
Net profits	2.72m	2.19m
Net per share	0.66	0.57
Nine months		
Revenue	127.8m	105.3m
Net profits	7.77m	6.52m
Net per share	1.94	1.69

OMARK INDUSTRIES

First Quarter	1978 $	1977 $
Revenue	49.9m	35.2m
Net profits	5.75m	3.38m
Net per share	1.64	0.74

PAINE WEBBER

Fourth Quarter	1978 $	1977 $
Revenue	121.4m	73.9m
Net profits	6.07m	2.3m
Net per share	1.05	0.35
Year		
Revenue	384.1m	267.1m
Net profits	12.75m	10.49m
Net per share	2.05	1.63

PANHANDLE EASTERN PIPE

Third Quarter	1978 $	1977 $
Revenue	328.4m	267m
Net profits	19.4m	20.2m
Net per share	1.05	1.13
Nine months		
Revenue	999.9m	886.2m
Net profits	80.9m	75.8m
Net per share	4.56	4.43

REVLON

Third Quarter	1978 $	1977 $
Revenue	361.7m	284.0m
Net profits	29.5m	22.6m
Net per share	0.89	0.71
Nine months		
Revenue	1.02bn	789.5m
Net profits	90.4m	69.3m
Net per share	2.75	2.19

SOCAL

Third Quarter	1978 $	1977 $
Revenue	6bn	5.6bn
Net profits	264m	236m
Net per share	1.54	1.39
Nine months		
Revenue	17.8bn	16.5bn
Net profits	748m	734m
Net per share	4.38	4.31

SOUTHERN RAILWAY

Third Quarter	1978 $	1977 $
Revenue	308.2m	283.5m
Net profits	23.45m	21.80m
Net per share	1.52	1.42
Nine months		
Revenue	923.6m	852.6m
Net profits	96.57m	87.12m
Net per share	6.35	5.75

SQUIBB

Third Quarter	1978 $	1977 $
Revenue	406.9m	362.5m
Net profits	35.2m	32.1m
Net per share	0.78	0.71
Nine months		
Revenue	1.1bn	978.8m
Net profits	80.7m	77m
Net per share	1.79	1.71

UMC INDUSTRIES

Third Quarter	1978 $	1977 $
Revenue	77.2m	59.5m
Net profits	2.99m	2.79m
Net per share	0.58	0.55
Nine months		
Revenue	209.2m	177.5m
Net profits	8.71m	7.64m
Net per share	1.70	1.52

Associated Japanese Bank (International) Limited

Extract from Audited Accounts

	28th Feb. 1978 £000	28th Feb. 1977 £000
Share Capital	7,000	7,000
Retained Profit	4,279	3,195
Subordinated Loans (£ equivalent)	12,877	14,588
Deposits	407,506	399,086
Loans	238,780	237,213
Total Assets	439,423	431,435
Profit before Taxation	3,172	3,074
Profit after Taxation	1,434	1,392

Associated Japanese Bank (International) Limited

29-30 Cornhill, London EC3V 3QA

Telephone: 01-623 5661. Telex: 883661

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The Dai-Ichi Kangyo Bank Ltd The Nomura Securities Co Ltd

(Shareholders' aggregate assets well exceeding U.S.$130,000 million)

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on October 25

U.S. DOLLAR STRAIGHTS — Issued, Bid, Offer, Change on day, week, Yield

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

YEN STRAIGHTS

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

OTHER STRAIGHTS

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

DEUTSCHE MARK STRAIGHTS

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

SWISS FRANC STRAIGHTS

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

FLOATING RATE NOTES

Issue	Spread	Bid	Offer	C.date	C.cpn	C.yld
[illegible]						

CONVERTIBLE BONDS

Issue	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						
Boots 6¾ 93	2/79	2.16	96½	97½	[illegible]	6.45
Coca-Cola Bottling 6¾	4/79	9	†83½	83½	−2½	7.36
Ito-Yokado 5½ 93	6/78	1473	144¾	145¾	+1	−0.01
Novo Industries 7 89	4/79	259	96	96½	0	−1.77
Texas Int. Air. 7½ 93	4/79	14.5	†81½	82	−1½	26.37
Thorn Int. Fin. 7 88	11/78	3.67	102¾	103½	[illegible]	−2.94
Tyco Int. Fin. 8½ 88	9/78	21	†97½	98	[illegible]	17.30
Tyco Int. Fin. 5 84	5/78	61.5	†74	74½	+0½	160.94
Asahi Optical 3¼ DM	12/78	588	95½	96	−0½	18.36
Casio Comp. 3¼ 85 DM	11/78	841	104	104½	[illegible]	4.42
Izumiya 3½ 86 DM	10/78	989	108	108½	−0½	4.76
Jusco 3½ 86 DM	1/79	1270	99½	100	−0½	14.16
Konishiroku 3½ 85 DM	1/79	612	96½	97	−0½	16.19
Murata Man. 3½ 86 DM	11/78	856	98	98½	0	4.94
Nippon Air. 3.5 88 DM	12/78	508	96½	97	+0½	4.72
Nippon Shinpan 3½ DM	8/78	738	115½	116½	−0½	4.50
Nissan Diesel 3½ 88	2/79	477	98	98½	−0½	12.74
Ricoh 3½ 93 DM	10/78	617	104	104½	−0½	16.78
Sankyo Electric 3½ DM	8/78	869	118½	119½	−0½	8.01
Sanyo Electric 3½ DM	11/78	295	93½	94½	−0½	11.63
Seiyu Stores 3½ 86 DM	9/78	1275	115½	116½	−0½	−1.31
Stanley Electric 3½ DM	11/78	629	101½	102½	−0½	16.51
Trio-Kenwood 3½ 86 DM	11/78	711	95½	96	−0½	16.40

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.date=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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هكذا من الأصل

INTERNATIONAL FINANCIAL AND COMPANY NEWS

EDITH share exchanges boost revenue

Interim Announcement

Over £2½ million has been invested in new business (including eleven new unlisted customers) during the six months, nearly the same amount as last year's record for a full year. 2,256,037 new shares of 25p each in EDITH were issued to the vendors of shares in three unlisted companies enabling them to claim rollover relief for Capital Gains Tax under Section 40 of the Finance Act 1977. These share exchanges are expected to yield a gross dividend income to the Trust of over £150,000 in a full year.

For the year to 31st March 1979, the Directors expect gross dividend income to exceed £2,200,000 (£1,849,000). Net Revenue before Taxation is expected to show a smaller increase.

The Board has declared an interim dividend of 0.8p per 25p share on the issued share capital of £17,808,787.25. This compares with an interim dividend last year of 3p per £1 share, equivalent to 0.75p per 25p share, on a share capital of £15,617,056. The dividend will be paid on Friday, 1st December 1978 to shareholders on the Register at the close of business on Friday, 10th November 1978.

Unaudited Interim Results

	Six months to 30.9.78 £000's	Six months to 30.9.77 £000's	Year to 31.3.78 £000's
Gross Revenue:			
Dividends	1,045	855	1,849
Interest, fees and commissions	299	334	661
	1,344	1,219	2,510
Less Expenses	157	114	253
Net Revenue before Taxation	1,187	1,105	2,257

Copies of the interim statement from
ESTATE DUTIES INVESTMENT TRUST LIMITED
91 Waterloo Road, London SE1 8XP. Telephone 01-928 7822.

EDITH A listed investment trust specialising in long-term investments in unlisted companies

Turnround in sales during first half cuts Poclain losses

BY DAVID WHITE PARIS, Oct. 25.

POCLAIN, the troubled French manufacturer of construction equipment, reversed the declining trend in its sales in the first half of this year and reported a sharp reduction in its losses.

The company, which leads the international field in hydraulic excavators and which is 40 per cent owned by Case Tenneco of the U.S., showed a 17 per cent increase in consolidated sales in the half year, compared with the same 1977 period.

On sales of FFrs 1.05bn ($250m) the group showed a consolidated loss of FFr 29.4m after setting aside FFr 28.9m in depreciation and FFr 25.1m in provisions. For the whole of last year the group loss was FFr 172.3m, up from FFr 138.5m in 1976.

M. Pierre Bataille, chairman, whose family holds the second largest interest after Case, said the first half results showed that the recovery programme was working.

At the parent company level, sales rose to FFr 825.5m from FFr 713.3m in the first half of last year, reversing the 1977 trend which showed an 8 per cent fall in turnover.

The parent company's operating loss was down to FFr 15.1m from FFr 55.5m, and its net result showed a sharply reduced deficit of FFr 38.5m compared with FFr 146.1m in the first six months of 1977, the company said.

Besides Case and the Bataille family, the main shareholders in Poclain, which last showed a profit in 1973, are the Renault, Peugeot and Volvo car groups, each holding 2 per cent.

● Societe Sanofi, the pharmaceutical holding company of the Elf-Aquitaine oil group, is now planning to expand abroad, particularly in the U.S., Japan and Latin America, said the company President M. J. Sautier, in Paris to-day. The group was turning to overseas markets "because the cost of pharmaceutical research can only be justified on a world market basis."

Volker and HVA talks not aimed at merger

BY CHARLES BATCHELOR AMSTERDAM, Oct. 25.

THE TALKS between Adriaan Volker and HVA aimed at achieving "permanent links" will not result in a full scale takeover offer for HVA.

It came to light today that Volker, a major construction and dredging group, is mostly interested in the agro-industrial activities of HVA, a company whose operations also include a consultancy side.

Any decision on a link between the two companies will be delayed for several months while Volker finalises its merger negotiations with the construction group, Stevin. Volker and Stevin published the offer document for their deal earlier this week. The two are setting up a holding company, to be known as Volker Stevin. It expects to be operational by the end of the year.

Volker and HVA announced in June that they had begun talks on the possible integration of some of their activities. HVA is a company with interests in plantations, consultancy, trading, chemicals and ago-industrial projects. It announced a link with three Dutch food groups and a bank earlier this month to seek large-scale food industry contracts in developing countries. This operation, called Agribusiness Group Holland, would be included in the link with Volker.

Volker and HVA have not yet definitely committed themselves to a more permanent link of their agro-industrial activities but will continue talks on the conditions if the venture does go ahead. If Volker and HVA do merge some of their operations this would further strengthen the position of the Agribusiness Group. This already consists of two food processors, Wessanen and AVEBE, a grain and oilseed handling company HES Beheer, Centrale Rabobank and HVA.

MEDIUM-TERM CREDITS

Nuclear agency raising $75m on fine terms

BY FRANCIS GHILES

BRAZIL'S STATE nuclear agency, Nuclebras, has negotiated the finest terms yet for a Brazilian borrower in the current cycle. It has mandated Dresdner Bank, which has close links with Brazil in the planning and development of its $2bn civil nuclear programme, to raise $75m for ten years on a spread of 1 per cent throughout. The loan which carries a sovereign guarantee includes a front end fee of 1¼ per cent and participation fees of ½ per cent for amounts from $1m to $2m, ⅝ per cent for amounts from $3m to $4m, and ¾ per cent for amounts of $5m plus.

The management group for this loan includes Barclays Bank International, Banque Internationale a Luxembourg, Landesbank Rheinland-Pfalz und Saar International (Luxembourg) and Sumitomo Bank.

The Spanish utility Autopistas Vasco-Aragonesa has also succeeded in getting the tightest terms so far for this type of Spanish borrower. It has mandated Banco de Vizcaya to raise a $45m eight year loan on a split spread of ⅞ per cent and 1⅛ per cent. Seventy-five per cent of this loan will be state guaranteed and on the lower spread while the remaining 25 per cent without sovereign guarantee will carry the higher spread.

The Moroccan state-owned phosphate company OCP has mandated the Banque Marocaine du Commerce Extérieur to raise $150m for nine years with four years grace on a spread of 1 per cent throughout. This loan carries a state guarantee. Ten non-Moroccan banks are expected in the management group. This is the first time a Moroccan bank is leading a major syndicated credit for a borrower from the country.

The terms are similar to those on the $300m credit for Morocco arranged last summer except that the maturity this time is nine years instead of eight.

Last spring OCP raised a $100m eight year loan on a spread of ⅞ per cent through a group of banks led by Abu Dhabi Investment Company.

Two small loans for the Algerian company Societe National de Material de Construction have just been signed in Paris. One is for $25m arranged by UBAF with a seven year maturity. The other for $10m arranged by Bank of Tokyo has an eight year maturity. Both have a spread of 1⅞ per cent.

VOLVO'S LINK WITH NORWAY

Swedes set out to break logjam

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT

SWEDEN'S new Prime Minister, Mr. Ola Ullsten, flies to Oslo tomorrow to sort out the problems blocking the deal under which Norway is to buy a 40 per cent share in Volvo for SKr 750m ($176m). He will lead a top-level team which includes his Budget and Economy Minister, Industry Minister and Energy Minister.

The final details of the agreement in principle announced in May should have been completed by October 15. The official reason for the delay is the collapse of the Swedish coalition government on October 5 but it was already evident by then that too many loose ends remained untied for the deadline to be met. Volvo now hopes that Mr. Ullsten and the Norwegian Premier, Mr. Odvar Nordli, can make the breakthrough which will enable the new Volvo (Svenskt-Norskt) company to come into being in January.

The most immediate obstacle concerns taxation but this state-to-state issue is interlocked with several others involving the issue of shares on the Oslo market, the Norwegian Government's undertaking to grant Volvo part of an offshore oil concession and even the long discussed agreement between the two countries on the exchange of oil for industrial co-operation. The simple "cars for oil" deal has proved to have many awkward ramifications.

The agreement in principle between the Norwegian government and Volvo stipulated that 40 per cent of the automobile manufacturer's profits should be taxed in Norway.

Any solution will most probably call for changes in at least Swedish tax law and perhaps legislation to make Volvo a special case. This in turn could provoke reaction from the multinational companies operating in and out of Sweden. In addition, under Sweden's liberal depreciation rules Volvo has been paying next to no state tax in Sweden but considerably more in municipal taxes. Can Swedish local authorities be deprived of income in order to meet Norway's tax demands?

Then there is the question, of which "profit" is Norway to receive 40 per cent? Swedish and Norwegian law is not in harmony and any answer would involve agreement on stock evaluation and depreciation principles. The Norwegians seem to be leaning towards an agreement such as that applied to Scandinavian Airline Systems (SAS), which is jointly owned by Denmark, Norway and Sweden. The officials and lawyers negotiating the tax issue are understood to be far from agreement. A political sword is needed to cut this particular knot.

The Federation of Norwegian Industries is sceptical about Volvo's commitment to create 3,000-5,000 new jobs and invest NKr 500-700m in Norway over the next five years

Next is the trouble the Norwegian Government is having in arranging a market for the shares of the Volvo (Norwegian) Holding Company. The original intention was for half the share capital to be held by the State and half by private investors. From the beginning Norwegian stockbrokers doubted whether the small Oslo Stock Exchange could absorb so large an issue but they were encouraged by hints from the Labour Government that it was planning to revive the stock market through tax reliefs for share capital.

Alas, the Norwegian trade unions made their acceptance of the 15-month wage and price freeze annouced in September conditional on abandonment by the Government of its plans to make life easier for shareholders. The Government has since tried to put together a consortium of banks and insurance companies to guarantee a share issue but the banks want first to see the final shape of the agreement with Volvo.

The idea that the Norwegian Government will not be able to interest private Norwegian capital in the Volvo shares in turn upsets some of Volvo's Swedish shareholders. They are unhappy about the possibility that the Norwegian State could end up by controlling more than 20 per cent of the voting rights in the new company. The Swedish Shareholders' Association, which held proxies for some 29 per cent of the voting rights at the last Volvo annual meeting, has already expressed its doubts.

The suggestion that the Norwegian Government would at first subscribe to more that its half of the Volvo (Norwegian) shares and gradually sell the surplus to private investors also worries Swedish shareholders.

On the Norwegian side little enthusiasm for the Volvo deal is apparent among private investors. The Federation of Norwegian Industries, while rallying to the principle that Norway needs to invest its oil revenues in industrial development, has underlined some ambiguities in the preliminary agreement. It is sceptical about Volvo's commitment to create 3,000-5,000 new jobs and invest NKr 500-700m in Norway over the next five years. Present plans, the federation points out, would give only some 800 new jobs while more than NKr 500-700m would be required to create the remaining 2,000-4,000 jobs.

The federation comments that the clause in the preliminary agreement under which the new Swedish and Norwegian holding companies "must ensure that the joint Volvo always has the equity it needs to maintain and develop the company" would commit Norway to sharing responsibility for "maintaining extensive industrial activity and some 44,000 jobs in Sweden."

Finally there is what in retrospect seems to be the clumsy link in the preliminary agreement between the purchase by Norway of a holding in Volvo and the negotiations between the two governments about long-term oil deliveries from Norway to Sweden. The agreement also stipulates that the newly established Volvo Petroleum Company should receive a share in one (or more) of the North Sea concessions which will be allocated later this year.

The import of these "oil" clauses is difficult to quantify. Is the Volvo deal dependent on a parallel agreement being reached between the governments on oil supplies? Officially no, but it may be significant that the Norwegians have delayed the allocation of new concessions and that the oil negotiations have not produced an agreement. Moreover, the potential value of any concession to Volvo Petroleum is important for the Swedish shareholders' assessment of the deal, on which they will have to vote later this year.

New Issue
October 26, 1978

This advertisement appears as a matter of record only.

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Series B — Maturity date 28 October 1980

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 26 October 1978 to 26 April 1979 the Certificates will carry an Interest Rate of 11¼% per annum.

Agent Bank
The Chase Manhattan Bank, N.A., London

Weekly net asset value on October 23rd, 1978

Tokyo Pacific Holdings N.V.
U.S. $73.59

Tokyo Pacific Holdings (Seaboard) N.V.
U.S. $53.62

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V. Herengracht 214, Amsterdam

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VONTOBEL EUROBOND INDICES

14.5.76=100%

RICE INDEX	24.10.78	17.10.78	AVERAGE YIELD	24.10.78	17.10.78
M Bonds	105.55	105.76	DM Bonds	6.474	6.439
FL Bonds & Notes	99.87	99.64	HFL Bonds & Notes	8.382	8.450
.S. $ Strt. Bonds	97.29	98.29	U.S. $ Strt. Bonds	9.277	9.090
an.-Dollar Bonds	95.63	97.43	Can.-Dollar Bonds	10.239	9.878

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Australia scraps foreign income tax proposals

BY JAMES FORTH SYDNEY, Oct. 25.

THE AUSTRALIAN Government has scrapped its proposals to tax foreign income earned by companies and individuals. In June the Treasurer, Mr. John Howard, announced that measures would be introduced to tax companies' overseas earnings at the Australian corporate tax rate. This would be done by removing the rebate on dividends received by Australian companies from overseas activities. A foreign tax credit was to be allowed for any withholding tax, or other tax, paid.

For Australian individuals, wages and salaries earned and taxed abroad would be exempt up to a limit of A$10,000 (U.S.$11,628) per annum with a foreign tax credit available for earnings above this level.

The Government was bombarded with protests from major companies which have expanded their operations overseas in recent years, many with government encouragement.

Mr. Howard acknowledged this when announcing the proposals would be dropped. He said the action was taken in the light of a large number of submissions from a significant cross-section of the Australian business community. Mr. Howard said today that one of the purposes in foreshadowing introduction of the scheme in June had been to "elicit comment and submissions from those Australian companies and individuals who might be affected." At the time, however, it proposed that the new taxes would take effect from July 1, 1978.

Among the companies which made submissions to Canberra opposing the proposals were W. R. Carpenter, Wormald International, Burns Philp, James Hardie, P and O, Boral, Thomas Nationwide Transport, Humes, Concrete Industries (Monier) and Pioneer Concrete.

The companies pointed out that in many countries rates of company tax were lower, while several countries offered additional concessions such as tax free holidays.

Australian companies obviously took these factors into account when investing in such countries. But they had to compete against local companies and other foreign competitors in those markets. If they could not compete on an equal footing there was little incentive to continue these activities.

In many cases Australian products were exported to the foreign operations of local companies. Closure of the overseas operations could thus have an adverse impact on employment in Australia. Companies could avoid the foreign tax by not remitting dividends back to Australia, which would adversely work against the balance of payments. If the tax was introduced, it could prompt countries with lower effective tax rates to simply increase the level of withholding tax.

Australian companies also argued that it would be much more difficult to attract Australians to overseas postings. It was estimated that an Australian with a wife and two children earning the equivalent of A$15,000 in Hong Kong would need to pay A$1,423 more tax a year under the proposed changes —at A$25,000 the increase was A$4,373.

Mr. Howard said today there had been significant arguments in favour of the proposals but they were outweighted by "certain adverse consequencies" which might flow from their introduction. He also revealed that there was particular concern the systems could lead to reduction in Australian investment in ASEAN countries. The Government feared possible trade backlashes by the ASEAN trading bloc, which could harm the already shaky balance of payments.

Yen boosts earnings at Oji Paper

By Yoko Shibata

TOKYO, Oct. 25

OJI PAPER, Japan's leading manufacturer of newsprint and kraft paper, held setbacks in earnings for the first half of the current financial year to levels below estimates made earlier—helped by exchange gains on its raw material imports, with the sharp rise in the yen in the foreign exchanges.

Net profits for the six months to September were down 3.1 per cent to Y1.71bn ($9.4m), from the level for the first half of the previous year, while current profits were reduced by 8.5 per cent to Y3.77bn and sales by 4.2 per cent to Y100.94bn ($555m).

The profit figures compare with the earlier estimates that net profits would be as low as Y800m (down 55 per cent), and current profits Y2m (down 51.5 per cent).

The company's main line, newsprint, operated at full capacity—which meant that despite its low added value, it contributed to the earnings recovery, along with the lower raw materials costs and rationalisation steps.

The yen's appreciation resulted in the raw material level in the cost for chips being cut by 5 per cent from the levels six months earlier, despite the raising of producers' prices, while the price of heavy oil fell by 20 per cent.

Net profits for the full year are estimated at Y3.5bn for a gain of 26 per cent, and a rise of 26 per cent is also foreseen in current profits, to Y7.5bn. Sales, however, are expected to fall slightly, by 1 per cent to Y203bn.

Nippon Pulp Industry is the 16th ranked Japanese manufacturer. It is capitalised nominally at Y4.82bn, compared with Oji's Y14.3bn, and employs 2,310 workers, against Oji's 4,483. It registered net profits of Y265m, on sales of Y67.55bn in the year to March.

MEDIUM-TERM LOANS

Japanese view of a difficult market

BY RICHARD HANSON IN TOKYO

THE RELUCTANCE of more Japanese banks than was expected—even more ian the refusal of West German banks—apparently caused Crédit Lyonnais to drop its intention of trying to arrange a $300m standby facility for Electricité de France on the unprecedentedly slim margin of ⅜ per cent for the first three years, rising to ½ per cent for the remaining five.

This woul! have been below the ½ point margin they took on a large all-Japanese loan to Britain this summer (which added to a flurry of foreign criticism) and bankers here are saying enough is enough, with pressure also coming from the Finance Ministry.

This does not mean that Japanese banks, who coined phrases like "Banzai" and "Hara-kiri" loans to describe their aggressive advance into international lending this year, are pulling back. There is a sense, however, that a slowdown in the pace of their international lending could help margins recover for lenders next year. Bankers here are also watching carefully for a change in Finance Ministry rules on overseas lending, as the present guidelines expire on December 31. The hope is for a loosening of certain limits which have made funding new long-term loans which exceed present limits costly for the Japanese.

If anything, Japanese overseas loan syndications now in the pipe appear to be reaching a peak. Banks arranged $700m for 12 years this week for a Brazilian-Japanese-Italian steel project. It is also learnt that the Canadian province of Quebec will sign this week a pact on a $100m 15-year loan at a fixed rate of 9⅝ per cent per annum, and with six years' grace, with Mitsubishi Bank heading the syndicate. Three Japanese banks are participating in the management group of a $250m ten-year loan to the Argentine petroleum concern, YPF, with split rates of ⅝ per cent over Libor for the first five years and ¾ per cent for the remainder. The Bank of Tokyo is also arranging for the Argentine hydroelectric company, Agua, a $120m 12-year syndicate with a similar interest rate structure. By the start of next month a series of dollar and yen loans to Mexico totalling more than $550m will be signed. In addition Australia is raising about $800m in Japan by the end of the year.

By the end of this calendar year, it appears that Japanese banks will have more than doubled their outstanding balance of medium-term offshore dollar loans, from the estimated $8.9bn level reached by December, 1977, following a relaxation of lending rules in July last year. Projections for next year are still hazy because of the possible shifts in Finance Ministry rules, and the potential for lending to China to finance the much-trumpeted boom in economic co-operation. It is believed, though, that there will be a levelling off of the pace of expansion though. There is a certain amount of caution creeping in also as the more conservative Japanese bankers note that lending levels are already beyond the pre-Herstatt bank failure level, the collapse of which seriously threatened the Japanese banking industry and led to a cut off of offshore dollar lending.

Criticism

There is also growing criticism in banking circles and the Government of the harsh competition that Japanese banks have been following in a policy of rapid expansion of overall offshore lending, without much regard to the margin of profit on individual loans. The aim is to publicise themselves internationally and somehow make a profit eventually on the sheer volume of lending. This kind of saturation banking—not unlike early Japanese motor, steel and electronics industries international marketing strategies—is seen as unhealthy.

The Bank of Japan and the Finance Ministry recently called in the foreign department managers of the major Japanese banks to caution them not to continue the rapid expansion of overseas lending—partly on country risk considerations—and to move more toward co-operation in syndicates with banks from other countries rather than exclusive Japanese groupings. The "warning" was prompted in part by a desire to maintain their own reputation among other central banks and Governments. Foreign bank claims and press reports saying that Finance Ministry deposits with Japanese banks were allowing Japanese banks to cut loan margins, though considered inaccurate, apparently were considered serious enough to prompt the action.

In fact, it is difficult to draw a connection between the deposits from the Finance Ministry and a Japanese bank's ability to lend medium-term abroad. The deposits, for 90-day terms at New York bankers' acceptance rates, have remained at about the same level over the past few years. Private bankers say that, figured at current exchange rates, they totalled about $4.85bn as of September 30. Monetary Authority officials using a higher exchange rate in converting dollar deposits, value them at around $7-8bn.

Foreign bankers argue that the official deposit rate, which is below prevailing Eurodollar rates, allow margin cutting for loans like the $500m lent to the Electricity Board in the UK. The lower deposit rate does allow Japanese banks an advantage in attracting short-term import financing business but the present agreement wi[th] the Finance Ministry is set up [to] discourage the use of short-ter[m] financing of a medium te[rm] lending boom.

When the system was esta[b]lished in July, 1977, each ba[nk] was fixed as to the amount [of] medium-term loans it cou[ld] carry short-term, beyond wh[ich] new lending has to be financ[ed] with matching medium te[rm] deposits, most often certifica[tes] of deposit raised from one [to] three years in the New Yo[rk,] European or Asian dol[lar] markets. The lending lim[its] were based on data as of M[arch] 31, 1977. Bankers now estim[ate] that 60-65 per cent, on avera[ge,] of the City banks medium-te[rm] lending is matched by mediu[m-]term funds. This ratio increas[es] more rapidly as new loans [are] added, which explains a rema[rk]able growth of Japanese C[Ds] since the beginning of this ye[ar].

Reserves

The official deposits (wh[ich] do not appear in fore[ign] reserves) are not coun[ted] separately in figuring a ba[nk's] total liabilities, which me[ans] some short-term financing [of] medium-term loans with offi[cial] money is theoretically possi[ble]. This is only possible, howe[ver,] for banks which are still wit[hin] the limits set more than a y[ear] ago.

Japanese banks now want [the] Finance Ministry to revise [the] guidelines, perhaps allow[ing] banks to cover medium te[rm] lending by a set ratio of med[ium] term funding.

This would enable them gr[eater] flexibility. At present, a Japan[ese] bank offering ¼ point ab[ove] Libor on a dollar CD is h[ard] pressed to find much profit o[n a] loan which pays less than ½ [per] cent over Libor, let alone th[e] point margins which Japan[ese] bankers want to avoid in [the] future.

Shareholders reject IEL bid

BY OUR OWN CORRESPONDENT SYDNEY, Oct. 25.

SHAREHOLDERS of McIlwraith McEacharn voted solidly with their board at the company's annual meeting today, rather than with representatives of Industrial Equity Ltd., which is bidding for control of McIlwraith. The chairman of IEL, Mr. Ronald Brierley failed in an attempt to gain election to the McIlwraith board, despite a holding of close to 20 per cent of the capital.

Shareholders also rejected a number of resolutions expressing concern about the conduct of McIlwraith's activities. Only the three IEL representatives at the meeting voted for the IEL resolution. The other 60 shareholders present sided with their directors. IEL was doomed from outset however, as the McIlwraith directors held proxies for 6.79m shares, compared with only 1.89m in favour of IEL. The total proxies represented more than 90 per cent of McIlwraith's capital.

Mr. Brierley queried the McIlwraith chairman, Sir Ian Potter about purchases of the company's shares by Thomas Nationwide Transport (Sir Ian is also a director of TNT) but he declined to comment.

TNT yesterday announced that it had purchased another small holding of McIlwraith shares, taking its equity to 17 per cent. IEL voted for a proposed one-for-two scrip issue by McIlwraith, even though the issue will almost certainly mean that IEL will be forced to drop its partial cash offer for McIlwraith.

The Companies Act provides that a cash offer can only be revised upwards and makes no provision to adjust for scrip issues. IEL could withdraw and submit a revised offer if it wishes to pursue the contest.

Progress at Pretoria Portland Cement

BY RICHARD ROLFE JOHANNESBURG, Oct. 25.

THE PRELIMINARY figures of Pretoria Portland Cement, the largest South African cement producer, and a subsidiary of Barlow Rand, for the year ended September 30 compare favourably with those for the previous 15-month financial period.

On turnover ahead from R119m to R131m ($149.7m), pre-tax profit is up from R25.1m to R26m ($29.7m) adjusting the 15-month period figure, this is an advance of roughly R5m, or 30 per cent, in profits.

However, the comparison is not so simple, because apart from the change in year-end, the latest figures also include a full year from the subsidiary Northern Lime, while the 15-month period included only nine months of the Northern Lime results. The contribution is not disclosed at this stage, but is likely to have been significant, as lime is a key agent in the production of uranium, a rapidly-growing sector of the mining industry.

After allowing for tax, deferred tax and minority shareholders, the Pretoria Portland net profit was up from R15.6m to R16.2m ($18.5m). The group has provided R3.3m (R3m) as transfer to plant replacement reserve, and distributable profits are up from R12.6m to R12.9m ($14.7m).

Earnings per share on consolidated net profit, before the transfer to replacement reserve, are, however, down from 112c to 108c, reflecting the use of a weighted average of shares to calculate the 1977 figure.

Against 32.5c in dividends for the 15-month period, Pretoria Portland has now declared a total of 30c. With the shares at 320c, the yield is 9.4 per cent, a point higher than the market.

The latest dividend is 15 per cent up on the annualised dividend for the 15-month period to September last year and the rating appears mainly to reflect caution over the group's R60m capital expenditure programme over the next five years in the wake of continuing sluggish activity in the building sector.

Hong Kong newspaper up

BY RON RICHARDSON HONG KONG, Oct. 25.

SOUTH CHINA Morning Post, a commercial printer, and publisher of Hong Kong's major English language daily newspaper, is raising its dividend after a further rise in profit in the year to June 30.

Consolidated net profit of the company, in which the Hongkong and Shanghai Banking Corporation holds a 43.8 per cent stake, rose by 16 per cent to HK$ 30.88m (U.S.$ 6.5m), maintaining the unbroken record of growth since the company was floated publicly in 1971.

The total payout, which has also risen every year, has gone up to 85 cents a share from last year's 70 cents with a 15 cent higher final dividend of 60 cents. The share register will close on November 10 to determine entitlement to the payment.

Ampol Exploration profit up

BY OUR OWN CORRESPONDENT SYDNEY, Oct. 25.

AMPOL EXPLORATION almost doubled earnings in the year to September 30 following a change in the Government's pricing policy for indigenous crude oil. Profit jumped from A$3.38m to A$6.9m (U.S.$8.08m) enabling the dividend to be doubled from 3.75 cents a share to 7.5 cents. The dividend requires A$3.89m (U.S.$4.56m).

Ampol Exploration, which is 67.6 per cent owned by Ampol Petroleum, has a one seventh interest in West Australian Petroleum, which operates the Barrow Islands oilfields off the north west coast of Australia.

Sales of crude oil totalled 10.8m barrels with the average daily output falling 7 per cent, resulting from the natural decline in the field's output.

The company's share of these sales was 1.55m barrels. The net average price for Barrow oil rose from A$2.84 a barrel to A$6.26 a barrel following a change in the crude oil pricing policy in August, 1977. Net oil revenue rose from A$4.7m to A$6.69m (U.S.$7.84m).

The directors have allocated A$2.9m (U.S.$3.39m) from unappropriated profits to the reserve for oil depletion.

SA food group improves

BY OUR OWN CORRESPONDENT JOHANNESBURG, Oct. 25.

IMPERIAL COLD Storage, one of the principal South African processors of frozen food, shows a continuation of the group's growth for the six months to end-August. Taxed profit rose from R2.5m to R3m ($3.42m) and the interim dividend has been raised from 2.5 cents to [illegible] cents.

Last year, the group paid 13 cents, covered 3.5 times, and it is expected that at least 14 cents will be paid for the current financial year. With the shares at 230 [illegible], the prospective yield is a minimum 6.1 per cent.

However, capital spending was put at R17m ($19.4m) for the current year in the last annual report, and this requirement will ultimately dictate the level of dividends. The latter results reflect higher prices for dairy products and inclusion of the results of the 50 per cent owned Land Harvest, acquired last year from the Australian group H. Jones.

The low yield on the shares is in line with the generally good rating given to the local food sector. The main shareholders in Imperial Cold Storage are the Old Mutual, the country's biggest investment institution, and its associate common fund, while the Tiger Oats group also holds a stake.

Southern Pacific approval

SOUTHERN PACIFIC Properties has announced that the scheme of arrangement for its acquisition by Barrick Investments has received Supreme Court sanction, and thus become effective yesterday, Reuter reports from Hong Kong.

Southern Pacific, in which Triad Holding Corporation of Luxembourg acquired an interest of about 30 per cent for some HK$ 57 m in 1976, has an issued capital of HK$ 75.6 m.

STARTRITE

ENGINEERING GROUP LIMITED

"Record profits"

reports W. R. Bruce, Chairman

It is pleasing to be able to confirm the Directors' predictions of record results for the year and a further improvement in the financial position.

Exports have continued to strengthen, as has the contribution from the sale of imported equipment. These results have been achieved against a background of increased competition and at the time when new production techniques were being introduced.

Group sales increased by 42% to £5,285,000 and profit before taxation rose by 54% to £635,718. Exports increased by 36%. The Board is recommending a final dividend of 2.492p (2.286p), to make a total for the year of 3.892p (3.486p), the maximum permitted.

Scrip Issue:

In the preliminary announcement of the results for the year, reference was made to proposals to be put to shareholders concerning a capitalisation of Ordinary and Preference shares.

With the introduction of the Counter Inflation (Dividends) Amendment Order 1978, the Directors no longer consider the proposals appropriate and the Extraordinary General Meeting to consider them will not now be held. The effect of the Order would be to reduce the maximum dividend payable on the Ordinary shares.

It remains the Directors' intention to recommend the maximum dividend payable under any regulations then in force in respect of the year ending 30th June 1979.

The Group's Activities:

Startrite Engineering Group is a holding company with three operating subsidiaries.

Startrite Engineering Company Limited is engaged in the design, development and production of metal-cutting and wood-working machines for the home and export markets.

Startrite Machine Tool Company Limited combines the selling of both home produced and imported wood and metal-working machines.

Startrite Designs Limited designs and produces special-purpose machines and equipment.

Future Developments and Prospects:

The Group is acquiring a marketing company in Holland, which should assist in making bigger inroads into the Benelux countries. We intend to strengthen our export marketing organisation and this should give rise to further potential.

The first half of 1978/79 will certainly show an improvement over the corresponding period of the year under review. The Directors are confident that, always provided there is no serious recession, STARTRITE will continue to improve its share of the market.

Results for the year ended 30th June	1978 £	1977 £
Turnover	5,285,000	3,728,000
Profit before taxation	635,718	412,286
Profit after taxation	375,317	318,025*
Cost of dividends	58,380	52,290
Profit retained	316,937	265,735*
Earnings per share	25.02p	21.20p*

*Adjusted for change in Accounting policy.

Copies of the Report and Accounts are available from The Secretary, Startrite Engineering Group Ltd., Waterside Works, Waterside Lane, Gillingham, Kent.

This announcement appears as a matter of record only.

YPF

Yacimientos Petroliferos Fiscales

US $15,000,000

Medium Term Credit

Guaranteed by

The Republic of Argentina

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International Energy Bank Limited

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The Mitsubishi Bank, Limited

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As Agent

SIRDAR

Pre-tax profits up by 86%

Heavy investment programme to continue

In her annual statement to shareholders, Mrs. J. M. Tyrrell, Chairman of Sirdar Limited, reports group net profits of £2.11 million—the best so far recorded by the Group and an increase of 86% over the previous year's figures.

Although exports were disappointing and trading in Europe was still depressed, the home market, including Eire, continued to show good growth. Hayfield Textiles made a good contribution to this year's excellent results.

Mrs. Tyrrell says: "Regrettably, the continuation of dividend control means that the dividend recommended is still severely limited. Ordinary dividends are covered by profits after taxation seven times, and clearly a higher dividend would be fully justified. The directors are also recommending a scrip issue of one new ordinary share for every two existing ordinary shares.

Unlike the remainder of the textile industry, hand-knitting showed a growth of 15%. I am happy to say that our Group enjoyed the full benefit of this increase and in addition also increased its share of the U.K. market.

The improved cash flow has not only financed the investment programme but enabled borrowing to be reduced substantially. Investment in fixed assets during the year amounted to almost £1.9m. The term loan of £1m. and the Euro-currency loan, the most costly portions of borrowing, have been repaid and the debt ratio reduced from 69% to 38%, leaving the balance sheet in a much stronger position. The investment programme will continue with the intention that a further £2m. will be spent on plant and buildings in the next year.

Sales volume is continuing to increase and I see no reason at present to doubt that we shall achieve a further record in the current year."

Summary of Results	Year ended 30 June 1978 £	1977 £
Turnover	19,284,655	16,435,012
Profit before tax	2,110,355	1,136,191
Profit after tax	1,667,957	1,039,326
Ordinary Dividend	234,750	208,755
Dividend Cover	7.1	4.9
Return on Shareholders' Funds	30%	20.5%
Earnings per share (before tax)	26.32p	14.11p

Copies of the Annual Report, containing the Chairman's Statement in full, available from The Secretary, Sirdar Limited, Bective Mills, Alverthorpe, Wakefield WF2 9ND.

Gold Fields American Corporation

a wholly-owned subsidiary of

Consolidated Gold Fields Limited

London, England

The First Boston Corporation has been appointed exclusive dealer for the issuance of commercial paper in the United States capital markets for Gold Fields American Corporation. In addition, The First Boston Corporation served as financial advisor to Consolidated Gold Fields Limited and Gold Fields American Corporation in structuring the above transaction.

The First Boston Corporation

Credit Suisse First Boston Limited

October 26, 1978

Notice of Redemption

Sumitomo Chemical Company, Limited

6¾% Guaranteed Sinking Fund Debentures Due 1979

NOTICE IS HEREBY GIVEN that Sumitomo Chemical Company, Limited has elected to redeem, in accordance with the Form of Debenture and pursuant to Section 3.02 of the Indenture dated as of December 1, 1964 among Sumitomo Chemical Company, Limited and The Sumitomo Bank, Limited, Guarantor, and First National City Bank (now Citibank, N.A.), as Trustee, on December 1, 1978 (the "redemption date"), all of its outstanding 6¾% Guaranteed Sinking Fund Debentures Due 1979 at a redemption price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date.

The Debentures are to be redeemed and will be paid at the option of the holder (a) at the **W. C. G. Bond Windows — 2nd Floor of Citibank, N.A., 111 Wall Street, New York, N. Y. 10043,** or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt/Main, London (Citibank House), Milan, Paris, Citibank (Belgium) S.A. in Brussels and Kredietbank S.A. Luxembourgeoise in Luxembourgville. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City on the redemption date, at the redemption price together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of the said Debentures with all coupons appertaining thereto maturing after the redemption date, payment will be made at the redemption price out of funds deposited with the Trustee.

Coupons due December 1, 1978 should be detached and presented for payment in the usual manner.

SUMITOMO CHEMICAL COMPANY, LIMITED

By: CITIBANK, N.A.

as Trustee.

Currency, Money and Gold Markets

Dollar touches new low

[...]isappointment at President [...]er's anti-inflationary message [...]ied the dollar to further [...]rd lows in very active trading [...]he foreign exchange market [...]erday. Heavy intervention by [...]ral banks prevented an even [...]per fall, with support for the [...]ar seen from the Swiss [...]onal Bank, the West German [...]desbank, and the U.S. Federal [...]erve. The statement by Mr. [...]ael Blumenthal, U.S. [...]sury Secretary, that the U.S. [...] resist disorderly exchange [...]kets forcefully, gave only [...]porary respite during the [...]rnoon, while the large [...]nan trade surplus, announced [...] the morning, was another [...]or behind the dollar's decline. [...]e U.S. currency fell to a [...]rd low of DM 1.7730 against [...] D-mark, before closing at an [...]ime closing low of DM 1.7815, [...]pared with DM 1.8090 previ[...]y.

[...]e dollar fell to SwFr 1.5010 [...]erms of the Swiss franc, and [...]d at SwFr 1.5125, compared [...] SwFr 1.5300 on Tuesday.

[...]her European currencies also [...] sharply against the U.S. [...] with the French franc [...]ng at FFr 4.1337½, compared [...] FFr 4.1800, and the Italian [...] at L803.25, compared with [...]25.

[...]e dollar's trade-weighted [...]eciation, on Morgan Guaranty [...]es, widened to a record 11.9 [...] cent from 11.3 per cent.

[...]erling's trade-weighted index, [...]alculated by the Bank of [...]and, rose to 62.2 from 62.1, [...] stood at 62.2 at noon and in [...] trading.

[...] terms of the dollar, sterling [...]ed at \$2.0300, but eased to [...]10, but soon recovered to [...]00 once again. The pound [...]hed \$2.0315 in the afternoon, [...] closed at \$2.0290-2.0300, a rise [...] 20 cents on the day.

[...]rward sterling remained firm, [...] the three-month discount [...]st the dollar unchanged at [...] cent.

[FR]ANKFURT — The West [Ger]man Bundesbank bought [...] to support the dollar when [...] U.S. currency was fixed at a [...]rd low of DM 1.7820 against [...] D-mark, compared with the [...]ous fixing level of DM 1.8172. [...]t from the initial disappoint[...] at President Carter's [...]ures, the dollar also suffered [...] pressure following the news [...] West Germany showed a [...] surplus of DM 4.73bn in September, the highest since October, 1977. A large surplus had been expected, but this was described as "massive," and the dollar fell to DM 1.7800 on the announcement.

BRUSSELS—There was no support for the dollar by the Belgian National Bank at the fixing, and the U.S. currency fell to a record low of BFr 28.1175 against the Belgian franc, compared with BFr 28.66 previously.

PARIS—An unfavourable response to the U.S. anti-inflation package led to strong demand for the D-mark as operators moved out of the dollar. The Bank of France sold about DM 50m when the German currency was fixed sharply higher at FFr 2.3305 against the franc, compared with FFr 2.3059 on Tuesday.

AMSTERDAM—The dollar was fixed at a record low of Fl 1.9435 against the guilder, compared with Fl 1.9800 previously.

MILAN—The dollar fell to its lowest fixing level against the lira since January 1976. The U.S. currency fell to L803.05, compared with L810.05 previously. Trading was active, with the Bank of Italy selling most of the \$15.8m traded at the fixing. Several other major currencies were much firmer against the lira however, with the D-mark touching a record high of L450.90, compared with L445.69 on Tuesday, while the Dutch guilder and Belgian franc were also at their highest ever levels.

TOKYO—Strong central bank intervention prevented the dollar falling below Y180 against the yen. The U.S. currency came under heavy selling pressure from both Japanese and foreign banks following the announcement of President Carter's anti-inflation measures. Japanese manufacturers and traders, sceptical about the measures, increased export covering, while foreign banks sold dollars to buy the yen. The Bank of Japan began buying dollars in the morning, lowering its intervention point by stages to Y180.20. It was estimated that the central bank bought about \$700m, with trading described as hectic. Spot volume was \$1.14bn, the second highest on record after \$1.25bn in August, 1971. The dollar closed at Y180.20, a postwar low.

BRASILIA—Brazil has devalued the cruzeiro for the 13th time this year, to 19.540-19.640 to the dollar, from a previous level of 19.150-19.160.

THE POUND SPOT

Oct. 25	Bank rate %	Day's spread	Close
U.S. \$	8½	2.0270-2.0315	2.0290-2.0300
Canadian \$	10½	2.3850-2.4005	2.4020-2.4050
Guilder	6½	[illegible]	[illegible]
Belgian F	6	[illegible]	[illegible]
Danish K	8	[illegible]	[illegible]
D-Mark	3	[illegible]	[illegible]
Port. Esc.	18	[illegible]	[illegible]
Span. Pes.	8	[illegible]	[illegible]
Lira	10½	[illegible]	[illegible]
Norwgn. K.	7	[illegible]	[illegible]
French Fr.	9½	[illegible]	[illegible]
Swedish Kr	6½	[illegible]	[illegible]
Yen	3½	[illegible]	[illegible]
Austria Sch	4½	[illegible]	[illegible]
Swiss Fr.	1	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 66.20-66.30.

FORWARD AGAINST £

One month	% p.a.	Three months	% p.a.
[illegible]	[illegible]	[illegible]	[illegible]

Six-month forward dollar 2.05-1.95c pm. 12-month 4.30-4.15c pm.

THE DOLLAR SPOT

October 25	Day's spread	Close
Canad'n \$*	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
Belgian Fr	[illegible]	[illegible]
Danish Kr	4.9440-4.9725	4.9645-4.9660
D-Mark	1.7760-1.7920	1.7760-1.7780
Port. Esc	44.05-44.35	44.10-44.30
Span. Pta	68.40-68.60	68.47-68.53
Lira	802.70-805.75	803.40-803.90
Nrwgn. Kr	4.8155-4.8320	4.8160-4.8180
French Fr	4.1350-4.1575	4.1350-4.1375
Swedish Kr	4.1955-4.2175	4.1985-4.2000
Yen	179.30-180.15	179.38-179.50
Austria Sch	13.0375-13.0850	13.0375-13.0475
Swiss Fr	1.5105-1.5150	1.5115-1.5145

* U.S. cents per Canadian \$.

FORWARD AGAINST \$

One month	% p.a.	Three months	% p.a.
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
4.25-4.75oredis	−9.93	103-114ore dis	−7.97
0.87-0.82pf pm	5.61	3.07-3.02pf pm	6.51
35-180c dis	−28.83	130-500c dis	−28.16
90-110c dis	−16.95	250-290c dis	−15.10
3.00-3.75lire dis	−4.87	9.50-11 lire dis	−4.87
2.15-2.55oredis	−5.17	6.25-6.65oredis	−4.76
0.70-0.50c pm	2.24	1.30-1.10c pm	0.78
0.95-1.15oredis	−1.65	1.25-1.45oredis	−0.75
1.30-1.15y pm	8.06	3.30-3.15y pm	6.21
4.25-3.25gro pm	3.33	10.00-7.50gro pm	2.57
1.16-1.11c pm	8.72	3.94-3.89c pm	9.92

CURRENCY RATES

October 25	Special Drawing Rights	European Unit of Account
Sterling	0.650823	0.690823
U.S. dollar	1.32569	1.39859
Canadian dollar	—	1.65998
Austrian schilling	17.3036	18.2482
Belgian franc	37.2751	39.3250
Danish krone	6.58537	6.94801
Deutsche Mark	2.36238	2.49129
Guilder	2.57648	2.71813
French franc	5.50095	5.80195
Lira	1064.53	1123.51
Yen	238.889	251.623
Norwegian krone	6.39314	6.74470
Peseta	90.9423	95.9379
Swedish krona	5.57121	5.87685
Swiss franc	2.00643	2.11402

CURRENCY MOVEMENTS

October 25	Bank of England Index	Morgan Guaranty changes %
Sterling	62.24	−42.1
U.S. dollar	80.41	−11.9
Canadian dollar	78.27	−18.7
Austrian schilling	147.75	+18.5
Belgian franc	115.36	+16.3
Danish krone	119.29	+ 7.6
Deutsche Mark	151.36	+42.3
Swiss franc	208.28	+94.7
Guilder	124.15	+20.6
French franc	99.44	− 6.4
Lira	54.89	−48.9
Yen	158.61	+56.5

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Oct. 26	£	\$		£ Note Rates
Argentina Peso	1.816-1.818	894.80-895.79	Austria	26.25-27.25
Australia Dollar	1.7186-1.7235	0.8468-0.8492	Belgium	60.75-61.75
Finland Markka	7.81-7.83	3.8730-3.8750	Denmark	10.10.25
Brazil Cruzeiro	39.66-39.86	19.54-19.64	France	8.35-8.45
Greek Drachma	70.637-72.569	34.805-35.659	Germany	3.60-3.70
Hong Kong Dollar	9.61½-9.63½	4.7490-4.7610	Italy	1610-1670
Iran Rial	139-146	70.45-70.75	Japan	364-374
Kuwait Dinar(KD)	0.536-0.546	0.2680-0.2681	Netherlands	3.90-4.00
Luxembourg Franc	57.00-57.10	28.086-28.135	Norway	9.75-9.85
Malaysia Dollar	4.341-4.351	2.1480-2.1510	Portugal	88-104
New Zealand Dollar	1.8712-1.8782	0.9220-0.9254	Spain	141-145
Saudi Arabia Riyal	6.55-6.65	3.2650-3.2680	Switzerland	3.00-3.10
Singapore Dollar	4.281-4.291	2.1230-2.1240	United States	2.000-2.0150
Sth. African Rand	1.7434-1.7697	0.8590-0.8720	Yugoslavia	41.43

Rate given for Argentina is free rate.

[EXC]HANGE CROSS RATES

Oct. 26	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.030	3.618	365.0	8.390	3.170	3.943	1630	2.40	57.05
U.S. Dollar	0.493	1.	1.782	179.8	4.134	1.513	1.943	802.9	1.1 4	28.11
Deutsche Mark	0.276	0.561	1.	100.9	2.319	0.849	1.090	450.4	0.64	15.77
Japanese Yen 1,000	2.740	5.560	9.911	1000.	22.99	8.411	10.80	4464.	6.582	156.3
French Franc 10	1.192	2.419	4.312	435.0	1.	3.659	4.699	1942.	2.64	68.00
Swiss Franc	0.326	0.661	1.178	118.9	2.733	1.	1.284	530.8	0.785	18.58
Dutch Guilder	0.254	0.515	0.918	92.58	2.128	0.779	1.	413.3	0.609	14.47
Italian Lira 1,000	0.614	1.245	2.220	224.0	5.149	1.884	2.419	1000.	1.474	35.01
Canadian Dollar	0.416	0.846	1.506	151.9	3.492	1.278	1.641	678.3	1.	23.75
Belgian Franc 100	1.753	3.557	6.341	639.8	14.71	5.381	6.911	2856.	4.211	1.

[EU]RO-CURRENCY INTEREST RATES*

Oct. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
Short term	9½-10¼	8½-9½	8½-9½	10 1½	¼ par	3⅜-3½	6½-7	13 20	[illegible]	[illegible]
7 day's notice	10 10⅜	9 9½	8½-9½	10 1½	⅝ par	3⅜ 3⅝	6⅞ 7⅛	14¼-15¼	9⅛-9⅞	⅝-2⅛
Month	10⅞-10⅞	9 9½	9⅛ 9½	10½-10⅞	⅜-1⅛	3⅝ 3⅞	7⅛ 7⅝	13½ 14½	8⅞-9⅛	⅞-1¼
Three months	12⅛ 12⅞	10⅛ 10½	10 10⅝	10½-10⅞	¼ 1	3¾ 3⅞	9 9⅝	15 16	10¼ 10⅝	5 5⅜
Six months	13 13⅜	10⅞ 11⅛	10 10⅝	9⅝ 10⅛	¼ ⅝	3⅝-3¾	10¼-10½	15½-16½	10⅞ 11	3 3
One year	13½ 13½	10⅞ 11⅛	10 10⅝	8¼-8⅝	⅝-¾	3⅝ 3⅞	10⅞ 11⅛	16-17	10⅞ 11	3 3

[Th]e following nominal rates were quoted for London dollar certificates of deposit: one month 9.40-9.50 per cent; three months 10.15-10.20 per cent; six months 10.60-10.70 [per c]ent; one year 10.60-10.70 per cent.

[Lo]ng-term Eurodollar deposits: Two years 10$\frac{3}{16}$-10$\frac{5}{16}$ per cent; three years 9$\frac{15}{16}$-10$\frac{1}{16}$ per cent; four years 9⅞-9⅞ per cent; five years 9$\frac{11}{16}$-10$\frac{13}{16}$ per cent nominal [closing] rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-day call for guilders and Swiss francs. Asian rates for closing rates in [Singap]ore.

[IN]TERNATIONAL MONEY MARKET

[F]ed adds more liquidity

[Th]e Federal Reserve inter[vene]d once again to add liquidity [to th]e banking system by way of [overn]ight repuchase orders, with [Fede]ral funds trading around [...]er cent. The official target [...] for Fed funds remains in [...]t, and may be anywhere [betw]een the 9 per cent level and [...]er cent. Treasury bill rates [were] lower however, with 13-week falling to 7.58 per cent from [...] per cent; 26-week bills to [...] per cent from 8.60 per cent; one-year to 8.46 per cent [from] 8.47 per cent. The decline [in b]ill rates reflects increased [dema]nd, partly for tax purposes, also in hope that interest [rates] may reach their peak by next year.

FRANKFURT — Three-month money, which fell quite sharply to 3.55-3.65 per cent on Tuesday, rose even more sharply yesterday to 3.95-4.00 per cent. Other period rates were generally slightly firmer, although call money was quoted at 3.45-3.50 per cent, compared with 3.45-3.55 per cent previously. One-month was 3.55-3.60 per cent compared with 3.50-3.60 per cent; six-month 4.00-4.05 per cent, against 3.95-4.05 per cent; and 12-month 4.15-4.20 per cent, compared with 4.10-4.20 per cent on Tuesday.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were generally firmer. One-month rose to 9⅞-10 per cent from 9¾-10 per cent; three-month was unchanged at 9⅝-9⅞ per cent; six-month rose to 8¾-9¼ per cent from 8¾-9 per cent; and 12-month to 8⅞-9 per cent from 8½-8¾ per cent.

PARIS—Money market rates were unchanged, with day-to-day at 6⅞ per cent; one-month at 6$\frac{15}{16}$-7$\frac{1}{16}$ per cent; three-month at 7$\frac{5}{16}$-7$\frac{7}{16}$ per cent; six-month at 7⅝-7⅞ per cent; and 12-month at 8$\frac{5}{16}$-8$\frac{7}{16}$ per cent.

HONG KONG—Money market conditions were normal, with call money dealt at 6¾ per cent and overnight at 5½ per cent.

MANILA — 30-day maturities were unchanged at 10-12 per cent; and 60-day at 10½-12½ per cent. 90-day maturities were quoted at 10½-12¾ per cent, compared with 10½-12¾ per cent previously; and 120-day at 10¾-12¾ per cent compared with 10¾-13 per cent.

GOLD

Record level

Gold rose \$3¾ to close at a record high of \$230-230¾, reflecting the continued weakness of the dollar. The metal opened at \$229¾-230½, and touched a high point of \$230¾-231½.

In Paris the 12½ kilo gold bar was fixed at FFr 30,835 per kilo (\$231.13 per ounce) in the afternoon, compared with FFr 30,875 (\$231.53) in the morning, and FFr 30,700 (\$227.70) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 13,185 per kilo (\$230.17 per ounce), compared with DM 13,260 (\$226.57) previously.

	Oct. 25	Oct. 24
Gold Bullion (a fine ounce)		
Close	\$230-230¾	\$226½-227
Opening	\$229¾-230½	\$225¾-226¼
Morning fixing	\$230.10 (£113.602)	\$226.30 (£112.671)
Afternoon fixing	\$230.30 (£113.744)	\$225.80 (£112.475)
Gold Coins domestically		
Krugerrand	\$238½-240½ (£117½-118½)	\$235½-236½ (£116½-117½)
New Sovereigns	\$65½-67½ [illegible]	\$64½-66½ [illegible]
Old Sovereigns	[illegible]	[illegible]
Gold Coins internationally		
Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
\$20 Eagles	[illegible]	[illegible]
\$10 Eagles	[illegible]	[illegible]
\$5 Eagles	[illegible]	[illegible]

[UK] MONEY MARKET

Moderate assistance

[Ba]nk of England Minimum [Le]nding Rate 10 per cent (since June, 1978)

[Da]y-to-day credit was in short [suppl]y in the London money market yesterday, and the authori[ties] gave a moderate amount of [assis]tance by buying a moderate [amou]nt of Treasury bills from [the d]iscount houses, a small num[ber] of local authority bills, and [a sm]all amount of eligible bank [bills]. Some bills were purchased for resale to the market at an agreed future date.

Banks brought forward surplus balances and the market was also helped by a small fall in the note circulation. These were outweighed by a slight net take-up of Treasury bills, a small amount of maturing local authority bills held by the authorities, settlement of small gilt-edged sales; and a large excess of revenue payments to the Exchequer over Government disbursements.

Discount houses paid up to 10 per cent for secured call loans, with closing balances taken at 9½-9¾ per cent.

In the interbank market overnight loans opened at 9¾-10 per cent, rose to 10¼-10½ per cent, before easing to 9¾-10⅛ per cent in the afternoon, and closing at 9½-10½ per cent.

Rates in the table below are nominal in some cases.

[LO]NDON MONEY RATES

Oct. 25 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	9½-10½	—	—	—	10½	9-10	—	—	—
2 days notice	—		9⅞-10	—	—		—	—	—	—
7 days or	—			—		10½				—
7 days notice	—	10⅛-10¼	10-10⅛	—	10¼		9½			—
One month	10⅛-10	10½ 10⅝	9¾-10⅛	10-10¼	[illegible]	10½	9½-9¾	9¾-9⅞	10⅛-10¼	10⅞
Two months	[illegible]	[illegible]	—	10¼-10½	11		[illegible]	9¾-9⅞	10⅜	11
Three months	[illegible]	11⅛ 11¼	10⅜-10⅝	10⅜-10⅝	11¼	11¼	10	9⅞-10	10⅜-10⅝	11¼
Six months	[illegible]	11⅛-11¼	[illegible]	11-11¼	11½				10⅞-11	11½
Nine months	[illegible]	[illegible]		11-11¼	11½					—
One year	[illegible]	10⅞-11⅛	10¾-11	10⅞ 11⅛	11½					—
Two years			11⅛							—

[Loc]al authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage [rates n]ominally three years 12-12¼ per cent; four years 12¼-12½ per cent; five years 12½-12¾ per cent. ♦ Bank bill rates in table [are buy]ing rates for prime paper. Buying rate for four-month bank bills 10⅛-10½ per cent; four-month trade bills 11¼ [per cent].

[Ap]proximate selling rates for one-month Treasury bills 9⅞ per cent; and two-month 9½ per cent; three-month 9¾-9⅞ per cent. Approximate selling rate for one-month bank bills 9⅞-10 per cent; two-month 10$\frac{1}{16}$ per cent; and three-month 10⅜ per cent; [o]ne-month trade bills 10½ per cent; two-month 11 per cent; and also three-month 11¼ per cent.

[Fin]ance House Base Rates (published by the Finance Houses Association) 9½ per cent from October 1, 1978. Clearing Bank [Deposi]t Rates (for small sums at seven days' notice) 6-7 per cent. Clearing Bank Base Rates for lending 10 per cent. Treasury [Bills:] Average tender rates of discount 9.0859 per cent.

MONEY RATES

NEW YORK

Prime Rate	10
Fed Funds	9.5625
Treasury Bills (13-week)	7.58
Treasury Bills (26-week)	8.52

GERMANY

Discount Rate	3
Overnight	3.475
One month	3.575
Three months	3.975
Six months	4.175

FRANCE

Discount Rate	9.5
Overnight	6.875
One month	7
Three months	7.375
Six months	7.6875

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.25
Bills Discount Rate	4.625

Youghal

Carpets (Holdings) Limited

INTERIM STATEMENT 1978

The Board of Youghal Carpets (Holdings) Limited reports that the audited trading results for the half-year ended 30th June 1978, with comparative figures for the two half-year periods in 1977, were as shown in the table below. The Board regrets that it is not possible to pay an interim dividend. The interim dividend in 1977 was 8.15% and shareholders were entitled to a tax credit calculated at 22.25% of the dividend.

The results show that during the period for the six months ended 30th June 1978, the loss on trading before re-organisation costs, taxation, currency translation and extraordinary items, is £499,000 which compares with a loss of £2,006,000 in the previous half-year to 31st December 1977 and a profit of £421,000 for the half-year to 30th June 1977. Re-organisation costs of £521,000 were incurred in the first half of 1978 and provision has been made for extraordinary items amounting to £2,712,000.

The re-organisation costs of £521,000 comprise redundancy and other related costs incurred in the weaving plant at Youghal as a result of the introduction of new manning and production programmes consequent upon the rationalisation programme referred to in the Chairman's Statement accompanying the 1977 Annual Report and Accounts and further referred to in the published statement of the Chairman's address to shareholders at the Annual General Meeting.

In the address, the Chairman also referred to the closure of the weaving plants operated by the Gloucester Carpet Company Limited and Morris & Co. (Kidderminster) Limited. The extraordinary items of £2,712,000 relate to the costs of these closures and to the costs of closing the small plant operated by KVT at Deventer in Holland, which subsequently became necessary. It is relevant to point out that these losses, all of which are provided for in the first half-year, largely arise subsequently and are non-recurring.

All these closures and re-organisation programmes were necessary to implement the strategy which the company was obliged to take to rectify the unsatisfactory trading referred to in the Annual Report for 1977. The Chairman's published statements referred to the need to effect reductions in trading, the aims of which were a major reduction in stocks and borrowing levels and the elimination of unprofitable weaving capacity and reduction in unit costs of production.

OUTLOOK

In the Chairman's address at the Annual General Meeting, it was stated that the Group would incur a trading loss for the first half of 1978, but would show a substantially improved picture as compared with the second half of 1977. The major re-organisation plans have now taken place and the carpet stock levels are satisfactory. Having regard to these changes, the indications are that the Group will be profitable in the second half of the year, as already forecast, and that in 1979 the improvement in profitability will continue.

HALF-YEAR TRADING RESULTS

	Jan./June 1978 £000	July/Dec. 1977 £000	Jan./June 1977 £000
Group Turnover	33,494	35,418	28,756
Group Trading Profit	910	(781)	1,796
Depreciation	(479)	(380)	(404)
	431	(1,141)	1,392
Interest	(930)	(865)	(971)
(Loss)/Profit before re-organisation costs, taxation, currency translations and extra-ordinary items	(499)	(2,006)	421
Re-organisation costs	(521)	—	—
(Loss)/Profit before taxation, currency translations and extraordinary items	(1,020)	(2,006)	421
Taxation	(47)	79	(59)
(Loss)/Profit after taxation and before currency translations and extraordinary items	(1,067)	(1,927)	362
Currency translations: (Loss)/Gain	43	(89)	(44)
Extraordinary items	(2,712)	(120)	—
(Loss)/Profit attributable to shareholders	(3,736)	(2,136)	318

BRIAN L. J. O'BRIEN, Chairman

Why involve a Canadian bank if your banking doesn't involve Canada?

It will probably come as no surprise to you that the Royal is Canada's largest bank. But, with assets exceeding \$35 billion, we're also the fifth largest bank on the North American continent, and one of the largest banks in the entire world. In fact—through our offices, representatives, subsidiaries, affiliates and correspondents—we're involved in banking in more than a hundred different countries.

Now size, we grant you, isn't all it takes to handle the worldwide needs of today's multi-nationals and governments. But with size comes the expertise, the experience and the fast decision-making that it does take. Not just for basic international banking, but for project financing, Euro-currencies, import/export deals and the entire spectrum of international financial transactions.

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THE ROYAL BANK OF CANADA
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WORLD STOCK MARKETS

Fear of rising interest rates hits Wall St.

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—75% (79¼%)
Effective $2.0295 36¾% (38¾%)

A DISCOURAGING OUTLOOK for interest rates pushed New York stocks lower in moderately active trading as the market erased a fairly solid technical rally. A leading broker said U.S. credit markets "are about to experience the most dramatic increase" in interest rates since the cyclical rise began in late 1976.

Meanwhile, the prime rate increase to 10¼ per cent initiated on Monday by Chemical Bank gained a few more adherents, including First Pennslyvania Bank and Bank of New York.

Initially, the market lost ground on disappointment with President Carter's anti-inflation message but it later recovered on a technical rally and was at about its best level of the day when the comment were made about future U.S. interest rates.

The President's anti-inflation message drew cautious praise from business leaders and the Teamsters union gave it conditional support. But foreign exchange dealers said it would not help the dollar and Wall Street analysts said the stock market had already discounted most of it.

The dollar lost ground and gold touched a record high.

The Dow Jones Industrial Average fell 2.34 to $830.21 on a volume of 31m shares. Falls outpaced gains by a ratio of about four to three. The Transport Index at 221.81 was down 0.53 and Stocks at 284.01 were 0.56 lower. Utilities shed 0.14 to 101.93.

Glamours and Blue Chips, strong during the afternoon rally, were mixed at the close. Du Pont added 25 cents to $128, but TAM lost $1¼ to $273¾. General Motors gained 75 cents to $63¼ but active Eastman Kodak lost ¾ to $59. Aircraft issues declined but Copper and Gold stocks gained.

Houdaille was a big winner bouncing ahead $11¼ to $32. The company agreed to be taken over for $40 cash per share by a corporation to be formed by an investor group.

Bethlehem Steel added ¾ to $21¾. It earned $1.48 a share in the third-quarter, against a loss of $10.92 a share a year earlier. Armco's third-quarter results also improved but it eased ¾ to $19¾. Inland Steel raised the quarterly and added ⅞ to $37½.

Among oil companies reporting higher third quarter earnings, Mobil rose 50 cents to $67¼ and Cities Service put on ⅝ to $54½. But Standard Oil California lost ⅝ to $44⅞, Pennzoil surrendered 25 cents to $29⅝ and Getty ¼ to $38. Union Oil of California had flat third quarter results and declined 75 cents to $51¾.

Arlen Realty was unchanged at $3⅞. Agache-Willot Group, a French retailer took an initial equity investment of $30m. In Arlen's Korvettes Inc unit.

Goodyear Tire reported improved third quarter profits but finished unchanged at $16⅞. A 117,000 share block traded at $16½.

Procter and Gamble's fiscal first quarter net rose but it lost 75 cents to $83¼. Johnson and Johnson eased 25 cents to $75¼ after announcing that its third quarter earnings had fallen.

American Stock Exchange prices declined in active trading. The Amex Index lost 0.14 to 150.31 and the average price per share dropped.

Active Compo Industries climbed $1 to $10. A block of 15,000 shares moved at $9½ and another of 25,000 at $10.

Among hte most active, Resorts International "A" added 50 cents to $38, Amdahl ⅞ to $43¾, and Syntex ⅝ to $30⅞. But Houston Oil lost 25 cents to $17½, Allied Artists ⅞ to $5½ and Nortex $1½ to $10¼.

Canada

higher in active trading. The Toronto Composite Index was up three at 1231.8 with advances in eight of its 14 component groups. Gains outnumbered losses 282 to 155.

Noreen Energy rose ⅞ to $16. Chevron Standard and Noreen reported high gravity crude oil flow of up to 4,200 barrels per day at their West Pembina, Alta well.

Home Oil "A" fell 75 cents to $41½. Consumers Gas, which has purchased 37.6 per cent of Home's class "A" shares, said it planned no further share purchases.

Corby Distilleries "A" gained 1½ to $27 after announcing an extra dividend payment. Grafton Group, which last traded at $33¼, was halted pending news that the company plans to acquire all Wiener Corporation shares.

Closing volume was 3,370,038 shares against 3,730,236 on Tuesday.

In Montreal, the Industrial Index rose 0.52 to 204.59 and Banks advanced 1.82 to 293.54. Utilities edged up 0.33 to 184.58 and the Composite Index finished 0.61 higher at 210.95.

Tokyo

Share prices rose sharply in active trading over a wide front, and the Tokyo Stock Exchange Index rose 1.53 to 435.64. Despite the steep yen appreciation on the foreign exchanges, export-orientated Electricals and Motor Parts rose, although Vehicles and Cameras weakened.

Pharmaceuticals recovered after heavy falls on Tuesday while Shippings including Japan Line and Sanko Steamship gained on an improvement in the world tanker market. Electric Cables and low-priced incentive-backed shares were preferred, while some Foods fell.

Australia

Australian Banks continued to firm but some Industrial and Mining leaders lost ground. The Bank of NSW added another 12 cents to A$7.80 ahead of the annual results while the CBA rose eight cents to A$2.58. The National and the CBC each gained 5 cents to A$2.72 and A$1.95.

In Industrials, BHP lost part of an early gain to close 4 cents higher at A$8.28 while CSR rose three to A$3.28 after reaching A$3.35.

Among Coal stocks, White Industries and Utah both gained five cents to A$4.80 and A$4.05 respectively, while Oakbridge added two to A$1.66.

On the Mining boards, Hamersley was one of the few gainers with a rise of five cents to A$2.15. Bougainville, BH South and North Broken Hill gained one or two cents while Western Mining closed steady at A$1.68. However, CRA fell 10 cents to A$3.30 and Mount Isa lost three to A$2.37.

Germany

Share prices eased in light trading with currency uncertainty dampening enthusiasm, and the latest IFO report on manufacturing industries providing little encouragement. Average losses were around DM 2, with major falls recorded by the Bavarian Hypobank and Vereinsbank of DM 5.50 and DM 4 respectively.

In Electricals Siemens eased DM 1.20 and in Motors Mercedes was down DM 1. Degussa lost DM 6 to DM 260 and Lowenbrau fell DM 12 to DM 158. Karstadt and Kaufhof each lost DM 3.

The domestic bond market was quiet, with public loans gaining up to 10 pfennigs and losing up to 25, with losses in the majority.

Paris

The market moved lower by the fall of the U.S. dollar and the weak tone in Wall Street following President Carter's anti-inflation announcement. Continuing labour unrest in France also damaged share values.

Operators were nervous too ahead of the French Retail Price Index announcement which they expected would reveal a higher rate of inflation than the 0.6 per cent in August.

Peugeot was Fr 9 lower in Motors at Fr 505 and Jacques Borel fell Fr 7 to Fr 166 in Hotels. Creusot Loire in Metals lost Fr 3.7 to Fr 67.5 and CFP in Oils fell by the same amount to Fr 140.3. Rossignol lost Fr 60 to Fr 1,800.

Switzerland

Swiss stock prices closed slightly lower after a very quiet and featureless session. President Carter's package came as a disappointment to Bourse circles. It was considered insufficient to support the dollar on the foreign exchanges.

Swissair bearer weakened on its profit decline in September, losing SwFr 10 to SwFr 777.

Leading Banks and Financials closed steady. Among little changed Insurances National-Versicherun was weaker, while in slightly lower Industrials Merkur continued its recent rise on speculative buying. Hoffman La Roche and Alusuisse were also weak shares.

Domestic Bonds were higher while Foreign Bonds were irregularly higher in moderate activity.

Johannesburg

Gold shares were mostly firmer on the Stock Exchange reflecting sharply higher bullion indications.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
● DM 50 denom. unless otherwise stated, yields based on net dividends plus tax. ♥ Pta 500 denom. unless otherwise stated. ♣ DKr 100 denom unless otherwise stated. ♦ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

Indices

CANADA

EUROPEAN OPTIONS EXCHANGE

GERMANY ●

TOKYO ¶

AUSTRALIA

OSLO

AMSTERDAM

BRUSSELS/LUXEMBOURG

PARIS

BRAZIL

JOHANNESBURG

SWITZERLAND ♦

COPENHAGEN ♣

STOCKHOLM

MILAN

VIENNA

SPAIN ♥

† Bid. ‡ Asked. § Traded. ‖ New stock

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hill Samuel	§10 %
Allied Irish Banks Ltd.	10 %	C. Hoare & Co.	†10 %
American Express Bk.	10 %	Julian S. Hodge	11 %
Amro Bank	10 %	Hongkong & Shanghai	10 %
A P Bank Ltd.	10 %	Industrial Bk. of Scot.	10 %
Henry Ansbacher	10 %	Keyser Ullmann	10 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	12 %
Bank of Credit & Cmce.	10 %	Lloyds Bank	10 %
Bank of Cyprus	10 %	London Mercantile	10 %
Bank of N.S.W.	10 %	Edward Manson & Co.	11½ %
Banque Belge Ltd.	10 %	Midland Bank	10 %
Banque du Rhone	10½ %	Samuel Montagu	10 %
Barclays Bank	10 %	■ Morgan Grenfell	10 %
Barnett Christie Ltd.	11 %	National Westminster	10 %
Bremar Holdings Ltd.	11 %	Norwich General Trust	10 %
Brit. Bank of Mid. East	10 %	P. S. Refson & Co.	10 %
■ Brown Shipley	10 %	Rossminster	10 %
Canada Perm't Trust	10 %	Royal Bk. Canada Trust	10 %
Cayzer Ltd.	10 %	Schlesinger Limited	10 %
Cedar Holdings	10½ %	E. S. Schwab	11½ %
■ Charterhouse Japhet	10 %	Security Trust Co. Ltd.	11 %
Choulartons	10 %	Shenley Trust	11 %
C. E. Coates	10 %	Standard Chartered	10 %
Consolidated Credits	10 %	Trade Dev. Bank	10 %
Co-operative Bank	*10 %	Trustee Savings Bank	10 %
Corinthian Securities	10 %	Twentieth Century Bk.	11 %
Credit Lyonnais	10 %	United Bank of Kuwait	10 %
Duncan Lawrie	10 %	Whiteaway Laidlaw	10½ %
The Cyprus Popular Bk.	10 %	Williams & Glyn's	10 %
Eagil Trust	10 %	Yorkshire Bank	10 %
English Transcont.	11 %		
First Nat. Fin. Corp.	11½ %		
First Nat. Secs. Ltd.	11 %		
■ Antony Gibbs	10 %		
Greyhound Guaranty	10 %		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		
■ Hambros Bank	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%. 1-month deposits 7½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7¼%, and over £25,000 7¾%.
‡ Call deposits over £1,000 7%.
§ Demand deposits 7½%.

FINANCIAL TIMES SURVEY

Thursday October 26 1978

Belgium

The Belgians have accepted the resignation of Prime Minister Leo Tindemans with impressive calm. But it is a calm that will be put to the test in the forthcoming general elections as well as by the impending crisis over the country's language problem.

·he :onsensus of the :xhausted

/ Giles Merritt

IERE CAN be few more in-guing political spectacles in a really well-ordered crisis. e present Belgian Govern-nt crisis is the 34th since · outbreak of the last world r. and its underlying serious-s tends to be cloaked partly its air of solemn ritual, :tly by its occasional touches comic opera.

)uring the eight day hiatus ween Prime Minister Leo ıdemans tendering his Gov-ıment's resignation to King udouin and a caretaker ninistration being formed on tober 20 by M. Paul Vanden eynants, the casual observer Brussels must have been uck most of all by the Bel-ns' saunguine reaction to the ıation. As former Defence nister M. Vanden Boeynants uggled to reconstitute the ıdemans Government, and ıs avoid the need for a gen-l election, the country's poli-al leaders were ushered in l then out of King Baudouin's ·sence at a speed reminiscent a Feydeau farce. Yet life in lgium seemed unaffected and ny newspapers fell quickly o the habit of confining de-ls of the crisis to specific sec-ns so that it would not con-t with everyday news values.

The position at present is that Vanden Boeynants has laced M. Tindemans at the ıd of exactly the same vernment line-up, and once a nber of fairly urgent legisla-: tasks have been performed t interim Government will go the country. An election is refore due at some as yet :pecified point between two eks and two months from v. And as one irreverent lgian Cabinet Minister narked last week. the timing ll to some degree depend on e first wave of the *sports d'hiver* holidays.

The formation of M. Vanden Boeynants's caretaker Government closes only the first chapter in the current crisis. With the inevitable political jockeying and the heat often generated by electioneering, the danger is that by early next year the present calm atmosphere may have greatly deteriorated. In Brussels's political circles there seems to be a growing body of opinion that the eternal struggle between *francophone* Walloons and Dutch-speaking Flemings is approaching a watershed.

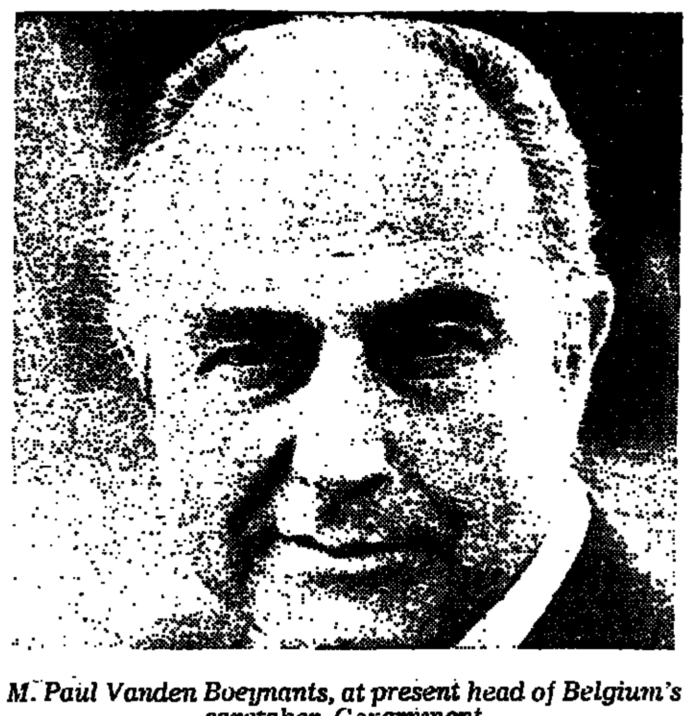
Defuse

The possibility now is that the regionalisation plan designed to defuse the language problem by devolving greater powers to three autonomous regions — Flanders, Wallonia and Brussels—will be overtaken by pressures to divide the country between the two language communities. The logic is that since neither language bl : can apparently tolerate the other enough to agree even minor compromises, the best bet would be totally parallel communities, each a separate state within a federal Belgium.

Considering that the language division in what is now Belgium dates back to the fifth century, when the Romans withdrew south to roughly the line that still divides the country into two halves, little enough progress has been made. Why then, in a Belgium where the standard of living is quite noticeably among the highest in the world, is the quarrel becoming more acrimonious?

The most convincing explanation is not the one most often advanced—that the Flemish community is determined to consolidate the political and economic gains achieved in the past 50 years and therefore cannot help pushing the Walloons at every chance. It is instead the explanation offered by a senior cabinet minister that rings more true. He suggests that the modest and cautious steps taken in the comparatively recent past to effect compromises—particularly in the outlying parts of predominantly francophone Brussels that have invaded the Flanders heartland—have made matters worse.

The jealousies and misunderstandings thrown up at municipal level by the language quarrel seem petty enough to outsiders. One of the more celebrated recent rows was over notices in a railway station booking hall. They also seem irrelevant to many of Belgium's top Ministers grappling with the serious economic problems of the country. But the reminder that these grassroots rivalries could torpedo a promising political career is usually enough to make the members of a Belgium Cabinet retreat back into party loyalties for reasons of self-protection.



M. Paul Vanden Boeynants, at present head of Belgium's caretaker Government.

Because of all this, Belgian politics are intricate and somewhat impenetrable. They are also made more confusing by their three-dimensional quality. On top of the Flemish-Walloon dimension there is a national divide between Social Christians, who are roughly-speaking Conservative, Socialists, Radicals and Liberals. What sort of government will emerge after the election is still anybody's guess, for Belgian voters are notoriously volatile, but the choice lies between three sorts of ruling coalition. That assumes, of course, that the language war will continue to allow political alliances bridging the Community gap.

It is feasible that M. Leo Tindemans's own CVP Flemish wing of the Social Christians will make enough electoral gains for the former Prime Minister to make a political comeback after only weeks in the wilderness. That would, ironically, confound his own enemies inside the CVP whose opposition to the outgoing Government's regionalisation plan precipitated the present crisis. In that case, M. Tindemans might be able to reconstitute the coalition he had, representing 82.5 per cent of Belgian votes—his CVP plus the francophone equivalent command 80 seats in the 212 seat Chambre des Representants lower house, and the remaining 92 seats on the Government benches are provided by the Socialists' francophone PSB, their Flemish BSP opposite numbers, the radical Front des Democrates Francophones and its Volksunie (VU) Flemish equivalent.

Alternatively, there might be a slimmed-down governing coalition or there might even be a grand alliance taking in just about every political hue except Belgium's vociferous if impotent Communist Party. It depends on the election returns as much as on the changes that may be made to the Egmont Pact that was the base of M. Tindemans's regionalisation plan and consequent proposals for changing the Belgian constitution.

Uncertainty

What must be clear is that on a day-by-day basis Belgium is necessarily a country that governs itself. The uncertainty produced by the shifting sands of Flemish-Walloon politics has in the last 50 years or so given birth to bureaucracy that is competent to the point of stifling. It is perhaps a consequence of the fact that Belgium must be the original man-made state. The heavy hand of the Belgian civil service, and its inflexible interpretation of the regulations, often seem an over-compensation on the part of a country that is fated never to be a nation.

Yet Belgium's political elite is well aware that the chronic tension between the two communities eclipses much more serious economic problems. The golden days of the Belgian economy, when during the 1960s the GNP increased at an average 4.5 per cent yearly thanks to growing world trade and booming foreign investments, are now over. The country now wrestles with high unemployment that risks going higher than its present 6.7 per cent because of outmoded heavy industries, stagnant industrial output and a currency relationship through the European "snake" that means it can neither escape nor greatly benefit from membership of a West German dominated economic zone. GNP is this year likely to rise 2 per cent, an improvement on the 1977 increase of 1.2 per cent, and next year's figure is being forecast at 2.5 per cent. More positively Belgium has been successful in bringing the inflation rate down quite drastically — during the course of this year it has dropped from an annual rate of well over 5 per cent to under 4 per cent.

Belgium's economic and social difficulties require determined long-term programmes if they are to be solved—strategic thinking rather than the tactical stabs that governments have so far been limited to by the political impasse. But the urgency of that need is sometimes disguised from the Belgians themselves by the affluence and cosiness of their lives. There cannot, after all, be many countries where there is a minister responsible for the well-being of the middle classes. It may also be that, despairing of agreement among the politicians because of the language rivalry, many Belgians must be forced to put their faith in the sort of curious political technique that has been ascribed to M. Tindemans. According to veterans of his lengthy cabinet meetings, he had to rely on "the consensus of the exhausted."

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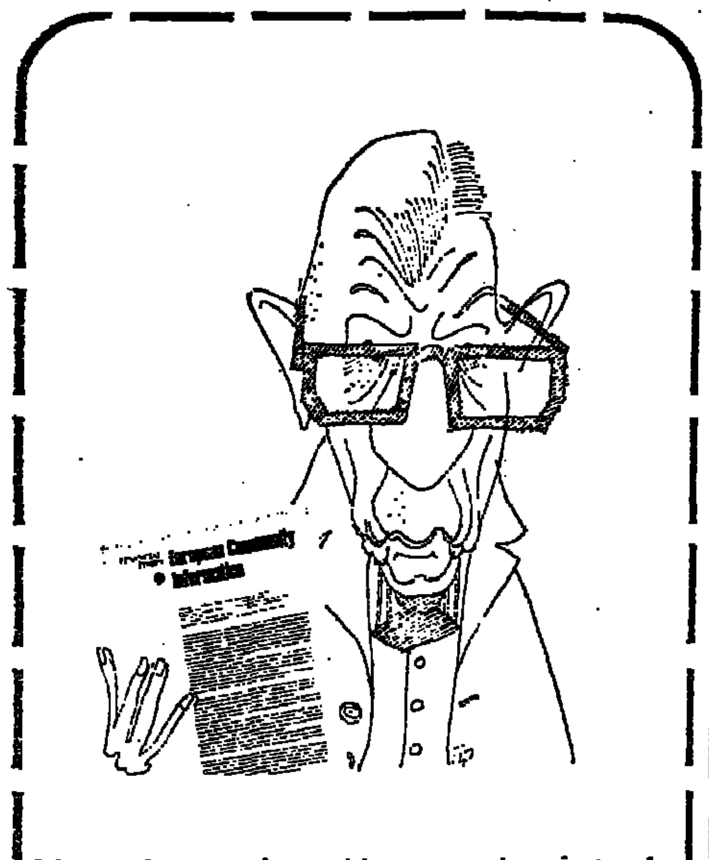

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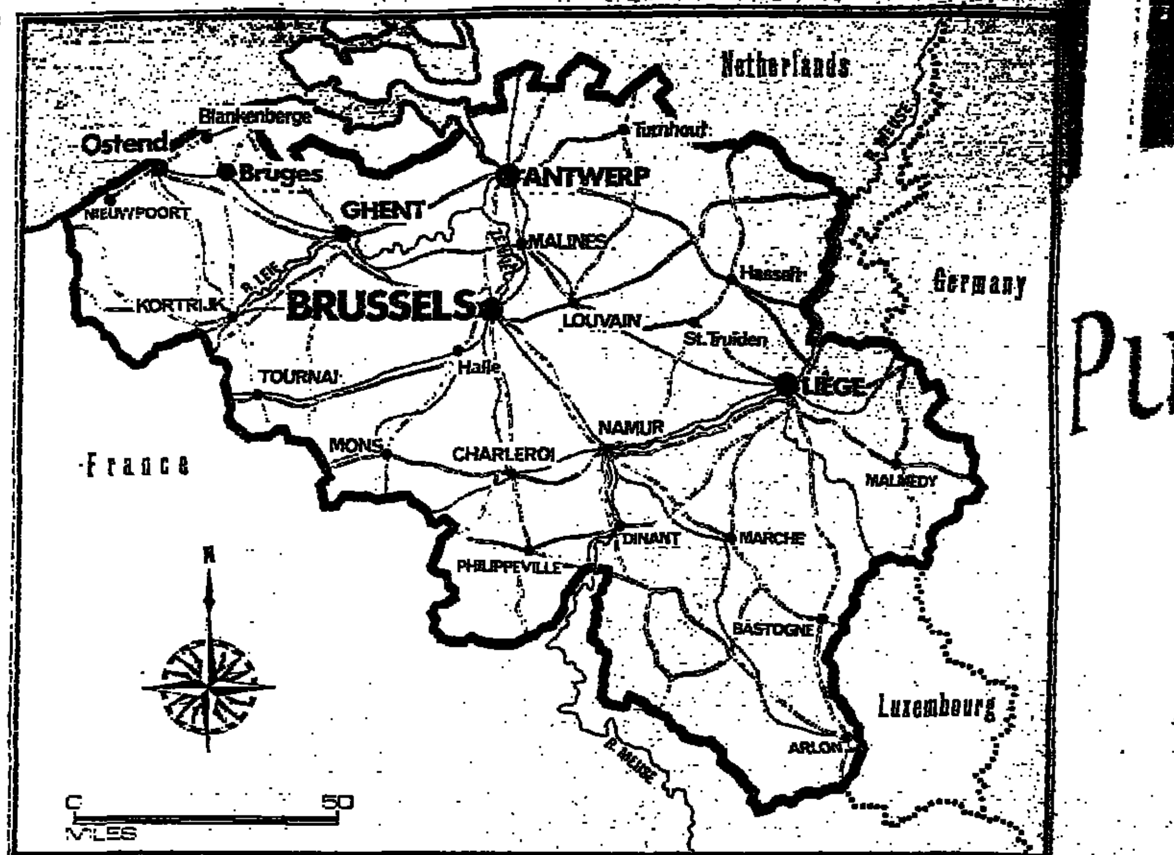
BELGIUM II

Facing an uncertain economic future



ONE OF the most striking aspects of this month's Belgian Government crisis has been the emphasis it has placed on the economy.

In many ways it has been paradoxical, for the crisis was—as with previous Belgian political difficulties—born out of the tensions of two rival communities, rather than out of the problems of managing the country's economy.

Yet, parallel to the drama of the Tindemans Government's resignation and the ensuing inter-party horse trading, there has been a noticeable preoccupation in the Belgian Press with economic management.

In what appears to have been a reaction against the perennial pettiness of politicians engrossed in the Flemish-Walloon struggle, opinion on both sides of the community divide has been insisting that the crisis was an irrelevant nonsense.

Notoriously, politicians tend to have a better sense of the issues that concern the electorate than do newspaper leader writers. So it may well be that the Government crisis was less of a charade than has been suggested.

Equally, the politicians' critics have been justified in pointing out that the crisis diverted governmental time and attention away from Belgium's pressing economic difficulties.

For all its outward appearance of still being among the world's richest countries, Belgium faces an uncertain economic future. In an EEC context, the country now qualifies to a surprising extent to share with Italy and Ireland the tag of having an economy that is "catastrophic though not yet serious."

There are three main problem areas: unemployment that at 6.7 per cent is the second highest in the European community, State spending that is so stubbornly high that Belgium may be forced unwillingly back into the hands of foreign lenders to help finance it, and the future of the Belgian franc.

Underlying these three areas is the thorny question of industrial reorganisation and restructuring, for Belgium is a comparatively young country whose economic roots nevertheless go almost as deep into the 19th century industrial revolution as do those of Britain.

On the credit side, Belgium has won a determined battle against inflation. At the cost of its alarmingly high unemployment rate and of industrial output so sluggish that it has yet to regain its mid-1974 level, the Belgian inflation rate is now comparable to that of West Germany and the Netherlands.

Towards the beginning of this year, the annualised rate had already dropped to an encouraging 5.4 per cent, while this summer the consumer prices index slowed even further to an annual rate of increase of 3.7 per cent.

The Belgian authorities, in short, have done everything possible to remain as competitive as possible with the West Germans and the Dutch. Those two countries account for almost 40 per cent of the external trade that is itself equivalent to around half of Belgium's GNP.

Drastic deflation has been needed to maintain the Belgian franc's parity with the Deutsche Mark inside the joint float of the European "snake," and during the past 12 months an estimated sum of more than BFr 100bn has been spent on defending the Belgian currency against speculation, despite the strain imposed by the U.S. dollar's protracted crisis. All the signs are that the Belgian monetary authorities will continue to resist devaluation.

The National Bank reportedly has BFr 225bn in net external assets which it would, on past showing, not hesitate to commit.

West Germany's 10-day old revaluation inside the European snake of 2 per cent against the Benelux currencies has done something to relieve that pressure, but the fact remains that the adjustment is seen in Brussels as too small to change the situation greatly.

There is a widely held view that Belgium is still in an unenviable position in its relationship with the German economy. For it cannot indefinitely maintain the deflationary disciplines that its export industries require to keep their German markets if Belgium's employment needs are to be satisfied.

BASIC STATISTICS

Area	11,782 sq miles
Population	9.84m
GNP (1977)	BFr 2,883bn
Per capita	BFr 267,000
Trade (1977)	
Imports	BFr 1,442bn
Exports	BFr 1,344bn
Imports from UK*	£1.84bn
Exports to UK*	£1.68bn
Currency: Franc	
	£1 = BFr 57.10 (commercial)
	BFr 60.85 (financial)

*Includes Luxembourg

Strain

At the same time, the Belgian franc may not be able to withstand indefinitely the strain of keeping step with the Deutsche mark and it was noted sombrely enough in Belgium, as elsewhere, that the dollar's continued decline was barely checked by the Deutsche mark's revaluation.

The Belgians cannot really afford to stay inside a German-dominated economic zone, but they certainly cannot afford to leave it.

To a very large extent, as a small industrialised country that relies so heavily on its foreign trade, Belgium's economy depends on decisions made by the major powers.

But it also has urgent domestic problems that must be tackled. Belgian economists have tended to dismiss the importance of the unemployment figures, arguing that even before the worldwide recession, structural unemployment was around 4 per cent and that the figures have latterly been swelled by maried women losing jobs in service industries.

It is true that Belgium's extremely liberal social security system and its unusual politics both insulate the country against the political repercussions of unemployment—benefit can be paid for an unlimited period, while the presence of a ruling coalition that represents over 82 per cent of the electorate has left little room for opposition parties to exploit the situation.

But it is also true to say that the present unemployment phenomenon highlights the Belgian economy's two fundamental weaknesses.

The first is that unemployment of the present order will remain a major problem in Belgium for the foreseeable future. Chemicals, petro-chemicals and automotive products have made a tentative recovery in the Flemish industrial region around Antwerp, but the base industries of steel and textiles, on which much of Belgium's prosperity was built, are in the same serious decline, as elsewhere.

Expensive restructuring programes are required, but Belgium's deflationary policies and high interest rates have militated against that.

Public investment is one answer, although even BFr 205bn public works programme, launched this year, has yet to make its mark. Belgium is the spiritual home of free enterprise, possessing no State-owned industries or wholly State-owned utilities, so the future role of the fledgling *Societe Nationale d'Investissements* is still being debated, particular with regard to its lame ducks policy.

The second is the size of the Belgian budget deficit. Despite Government promises to cut public spending and peg the 1978 deficit to BFr 65bn it is expected to hit BFr 100bn this year and may rise above that.

Debt

The problem is not so much the financing of the debt—even though that has become no easier as the debt has soared to its present heights so that the public borrowing requirement is now 7.5 per cent of GNP—it is the method of financing, for recourse to the domestic capital market has pushed interest rates steadily upwards and helped starve the private sector of funds.

There is, in any case, a growing debate as to whether Belgium's high ratio of household savings — approaching 1[illegible] per cent—is not overly encouraged by Government loans at the expense of consumer expenditure.

In any event, the Belgian Government recently reversed public financing policy and negotiated its first foreign loan for ten years in the shape of a BFr 8bn loan from the Bank for International Settlements.

The underlying difficulty however, is Belgium's lack of growth compared with the 1960s. This year the official forecast of a 2.5 per cent rise in GNP is widely held to be optimistic with 2 per cent considered more likely.

It is, nevertheless an improvement on the 1977 rise of 1.2 per cent, while for 1979 a growth rate of 2.5 per cent is expected. But this has to be compared to the golden sixties, when annual growth rates of 6 per cent were not rare, and the average was around 4.5 per cent.

Giles Merritt

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EVER SINCE the oil crisis a major energy review has brought bad luck crashing down on the Belgian Government. The first one was completed, presented to the Cabinet and then the minister died.

His successor decided a more detailed study was needed. Eventually he, in turn, presented this to his Government colleagues. But the Government fell within the week.

The latest — a 303-400 page white paper—was on the agenda for the Cabinet meeting of October 20. The Government resigned on October 11.

The white paper thus remains in limbo — and strictly confidential. If the present minister for economic affairs, Mr. Will Claes, a socialist, keeps his job in the new Government, then it is still possible that the plan will be published as planned in November in time to be debated in the Belgian Parliament before the end of the year.

Despite the tight secrecy surrounding the white paper, its broad outlines are known. It will be in line with EEC and IEA guidelines, with emphasis on energy-saving, research into new sources of energy and, no doubt, continued commitment to nuclear energy—though with much emphasis on the need for safety, security and continued research into ways of disposing of the radio-active waste.

Sensitive

The politically sensitive areas are coal and nuclear power. On present plans (drawn up in 1975) coal mining in the Campine region of north-east Belgium is to be developed to reach 7m tonnes by 1985. This would provide about half Belgium's coking coal requirements, and would help reduce dependence on imported supplies, and above all would save a few jobs.

The number of people employed in Belgian coalfields, both underground and surface workers has fallen from 154,000 in 1956 to only 22,700 last year.

The last of the mines in the traditional mining areas of Wallonia in the south are due to be closed by 1982.

But even Campine is now in doubt. Productivity last year increased, and total production rose slightly to 6.3m tonnes. But losses still jumped from BFr. 714 to BFr. 963 per tonne. (in the southern mines already due to be closed, losses ran at BFr.3,090 per tonne). The Government subsidy to the coal mining industry as a whole jumped from 7.2bn to BFrs. 8.5 bn.

Belgium already has the highest dependence on nuclear power for electricity generation of any European country, if not the world. Already 25 per cent of its electricity comes from the atom, and on present plans this will reach 50 per cent by 1985.

However, opposition is growing in Belgium, as elsewhere. A recent local referendum at Andenne near Namur in the south of the country voted overwhelmingly against a proposed new nuclear plant.

Despite the cold wet weather, 75 per cent of those entitled to vote turned out, and 83 per cent of them voted "non."

The noes were the equivalent of 64 per cent of the adult population of the area—a sharp rebuff to Intercom (*Societe Intercommunale Belge de Gaz et d'Electricit SA*), the company which wants to build the plant and which had spent considerable amounts of time and money trying to persuade the Andenne people to boycott a "meaningless" referendum.

One result of the referendum is that Parliament has been promised a debate on nuclear energy in December, as part of its discussions of the white paper.

That debate may have to be delayed because of the collapse of the Tindemans' coalition, but if and when it takes place it will be the first time Belgian MPs have ever debated nuclear power.

Belgium's rapid development of nuclear power has, in fact, been almost entirely due to private entirprise, on the principle that what is good for business must be good for Belgium.

But the private sector's unique grip on the entire energy sector is slowly but surely being weakened. Less than five per cent of the country's power is produced by municipal and provincial authorities, but a recent law has virtually given the Central Government representative the power of veto on the industry's supervisory committee, and states that State-owned credit institutions must be given preference to allow them to buy up to 25 per cent of any new capital raised by the private utilities.

CONTINUED ON NEXT PAGE

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BELGIUM III

The entrance to the National Bank of Belgium headquarters in Brussels.

Putting faith in the snake

GIUM IS a small, rather but rich country and with than 10m inhabitants has than its fair snare of strial wealth.

e Tindemans Social stian/Socialist coalition rnment has fallen because iternal divisions over the nnial problem of Belgian cs—how to move towards nore federal system of rnment and maintain the ate linguistic balance een the Flemish comty in the north and the oons from the south.

is running sore is aggraby the fact that new high ology industries such as and chemicals have been p in Flanders, while the mines and steel mills Wallonia are gripped by sion.

wever, at national Governlevel the country is united new official mythology h maintains that it must a strong currency and nd the existing parity of Belgian franc to the bitter against Belgium's main ing partners in the Euro- snake currency system.

his policy is even underten by the main opposition y, the Liberals, under er Finance Minister Willy lercq. About 45 per cent Belgium's foreign trade is ed out with the other five bers of the system, nd, Luxembourg, Den-, Norway and West nany (which alone accounts 5 per cent).

But. 10 days ago the Belgians themselves called for the secret meeting of snake finance ministers at Chateau Senningen just outside Luxembourg, which decided on a 4 per cent revaluations of the Deutsche Mark against the Danish and Norwegian krone and a 2 per cent revaluation against the three Benelux currencies.

Unrelenting pressure from the foreign exchange markets over the previous two months and the loss of over BFr 60bn from reserves made the Belgian Government, even a caretaker one, call a halt. Apart from the obvious and dramatic impact of such large-scale capital outflows, the hidden damage being caused to Belgian industry by the unmitigated defence of a strong currency and the growing strain this put on the domestic banking system were other major factors in the decision to try to force the Germans to act.

Politically the Belgian Government was unable to accept a devaluation of the franc, so Bonn had to be persuaded to carry the can. The Belgian Finance Minister Gaston Geens justified the revaluation by saying that Belgium had remained in the middle position inside the snake.

Pressures had built up on the Government inside the country because Belgium's main companies were being forced to bear the brunt of the higher interest rates needed to attract money back into Belgium and away from the powerful D-mark.

While the National Bank claimed it did not want to damage such fragile chances of economic recovery as existed, it was forced at the same time to raise selected interest rates by 2.5 points to 8.5 per cent, tighten domestic credit by placing a floor on the amount of Government securities held by commercial banks and to cut back on the use of short-term domestic credits made by companies. These had been manipulated by firms making uses of leads and lags in export and import trade during previous currency crises to speculate against the franc.

On top of these recent Government restrictions Belgian banks have for a long time had to face further limits in their efforts to ensure a smooth flow of ready money to all sectors of industry through direct competition on the lending side from the Belgian treasury.

Things became so bad that even the National Bank felt moved to complain in its annual report. It said the size and growth of the chronic Belgian public authority budget deficits put unfavourable pressure on economic growth and employment and were hindering the recovery. The bank said the Treasury was using it as a permanent means of refinancing instead of as a temporary lender, and this inelastic demand for funds added to the pressures preventing long-term interest rates being lowered as they should. In a parting jibe the independently minded bank said the steady growth of the budget deficit means it had to open credit lines to the Government for such long periods that this could severely restrict its ability to regulate liquidity on the domestic interbank money market.

Some observers expect the Government's budget deficit to rise to BFr 100bn next year from BFr 80bn in 1978. while Belgium's net borrowing requirement may increase this year by BFr 240bn after a rise of nearly BFr 160bn in 1977. Belgium's total long-term internal indebtedness to the domestic banking system now tops a staggering BFr 1,300 bn.

The official argument against a formal devaluation of the franc is that the sharper selling edge for its exports would only be ephemeral, and the advantage gained would not work through quickly enough to the economy to cut back unemployment and ease the country out of recession.

The cost push on prices of imported raw materials would be felt much more quickly in a country which has to import virtually all its basic needs for the processing industries.

Behind this argument is the fear that hard-won ground in the battle to reduce inflation would be lost overnight. Belgium is jealously guarding its current record of inflation, running at an annual rate of under 4 per cent, which makes it the most successful industrialised country in Europe after West Germany. Inflation has been halved in three years and prospects are for the current account balance of payments position to be in balance this year.

However, membership of the snake, with its relative exchange rate stability, and the structure of the national debt have meant that currency instability caused by the falling dollar has not exerted such unbearable pressure on the exchange rate for membership of the snake to become too expensive for a country with over BFr 200bn of immediately available foreign currency and gold reserves at its disposal.

In the latest realignment the Belgian Franc only lost ground against the D-mark (2 per cent). However, leading Belgian exporters, who are feeling the pinch from Government policies aimed primarily at reducing inflation, have called vociferously for an outright and larger Franc devaluation. Several university professors, who do not have to please the voters by performing the delicate and difficult task of reducing costs and unemployment at the same time, have added weight to the open debate in the past few months. A leading Government official, the director-general of the Bureau for Foreign Trade, demanded a limited devaluation of the Franc to give Belgian industry and exports more breathing space away from the handicaps now being piled up for them through the strength of the currency. He is not expected to last long in his position in the face of the conventional wisdom of his superiors.

On the more esoteric side of monetary policy the National Bank continues to reject the fashionable money aggregate theories practised with limited success in West Germany and Switzerland. It thinks monetary policy has virtually no effect on the type of domestic price inflation now rampant in Europe.

Inflation, it argues, must be fought by strict control of prices, either imposed or negotiated, but global monetary measures such as limits on the growth of monetary aggregates or interest rate policy will not put a brake on it. And that means that Belgium must put its faith in the snake again. Even if that condemns it to wriggle on into the future inside that fast-changing reptile.

By a Correspondent

[uclear CONTINUED FROM PREVIOUS PAGE

is understood that this right be exercised *in full* where ear power is involved.

hatever the opposition to ear energy, it is going to hard to do without it. ium still imports gas from and, manufactures its own gas, and also has access wet gas" from the Ekofisk d in the North Sea.

nports last year however *slightly down,* at 14.2m es coal equivalent, partly due to the crisis in the steel industry.

But while gas imports increased 10 times between 1967 and 1974, they have levelled off since then and short of a new major find nearby in Holland, the North Sea, or in Belgium itself, there is little scope for increasing imports.

A major liquefied natural gas terminal is to be built on the coast at Zeebrugge to handle Algerian gas, but the project has been postponed until 1982 to allow time to complete the facilities needed both in Algeria and Belgium.

With a short coast and little luck, Belgium's share of the North Sea oil bonanza has been mainly limited to Petrofina's 30 per cent stake in the Ekofisk Field in the Norwegian sector.

The group also has a 16.26 per cent share of gas deliveries from the Hewitt Field in the British sector, and is a partner in a number of prospecting groups both in the North Sea and elsewhere.

In 1977 the group's production of crude oil totalled 7.13m tonnes, with 3.4bn cubic metres of gas. This compares with total consumption of Petroleum products of some 22.2m tonnes in 1977.

Before the oil crisis, demand had been increasing at 12.5 per cent a year for 25 years. But despite resumed growth in the demand for transport fuel, last year's total consumption was still some 13.6 per cent below the 1973 peak of 25.7m tonnes.

Had it not been for the oil crisis, Belgium's total demand for primary energy would probably have reached some 83m tonnes oil equivalent (MTOE) by 1985. The present trends suggest for 1985 only around 56-58 MTOE, compared with an estimated 45 MTOE last year.

Stretching the graphs to 1990 points to around 65 MTOE, though clearly a great deal will depend on the options set out in the forthcoming white paper and on the final choices made by the Government.

Despite its already heavy dependence on the atom, Belgium imports just over half its energy requirements. By 1990, with coal production perhaps completely closed down, and oil and gas reserves in Petrofina's blocks running down, it seems certain that dependence on imports will have to increase sharply.

Whatever the objection by local voters, therefore, it seems inevitable that Belgium will remain one the countries most heavily committed to nuclear power.

Brian Donaghy

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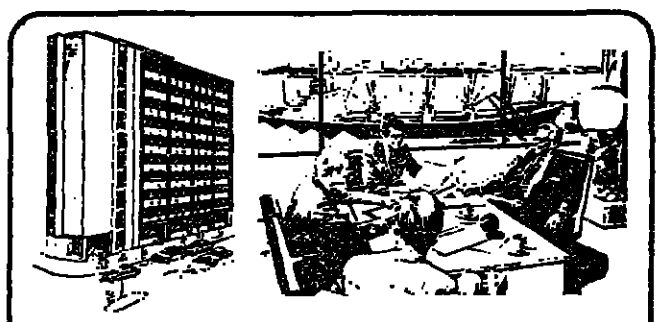

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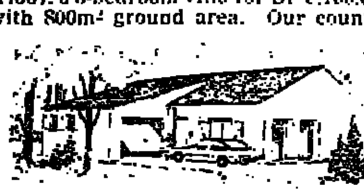

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Exports forge ahead

THE EXPRESSION that one Belgian in two is working for export is still largely true. In 1974 exports actually totalled just over 50 per cent of the gross national product. The recession that followed the oil crisis knocked this back sharply to 44 per cent, but it has been rising again since, and last year was probably close to 50 per cent.

The importance of exports has risen steadily in recent years, climbing from just over a third in 1967 to roughly half ten years later. But a quick look at the statistics shows that it is a treadmill, with Belgian industry having to run faster and faster and work harder simply to keep up. For imports, over the same period, have shown very similar growth rates, totalling the equivalent of 51 per cent of the GNP in 1976.

Exports have been slowly losing the race, earning enough to cover only 90 or 95 per cent of imports since the oil crisis pushed the Belgo-Luxembourg commercial balance from a BFr 14bn surplus in 1973 to a deficit of BFr 61bn the following year. A general upturn in world trade, however, could reverse this trend.

Within the total of exports to the rest of the world, industrial exports are still by far the most important component, and are likely to have to remain so for the foreseeable future.

Belgium is one of the countries in the club of advanced nations most badly squeezed by the decline of traditional industries. It was one of the first nations to plunge into the industrial revolution in Britain's wake. It was the ideal country for nineteenth century capitalism. It had available the materials to make a range of valuable chemicals. It was, and is, a small flat country on the edge of the sea, with plenty of water, large rivers for transport, large population centres north, south east and west, and above all a tradition of hard work and trading worldwide.

Hardly surprising then that Belgium became a power in the commercial world. Iron and steel, non-ferrous metals, textiles, glass, chemicals, paper, machinery and guns were added to lace, linen and diamonds. Companies were founded that quickly became world names—Cockerill and Arbed in steel: Fabrique Nationale a Herstal (now known simply as FN) in weapons and general engineering: Solvay in chemicals; Vieille Montagne in zinc: St. Roch (glass) and ACEC (Ateliers de Construction Electriques de Charleroi).

The riches of the Belgian Congo provided almost unlimited raw materials for what was by then almost the Belgian specialisation—the processing of minerals. Union Miniere, Metallurgie Hoboken Overpelt and Asturienne, (Cie Royale Asturienne des Mines) can either trace their origins or their survival to Congolese ores. Later still came the big cement groups and the civil engineers.

All these companies shared, directly or indirectly, a common guardian angel, Société Générale de Belgique, still known simply as "La Générale." Although the companies were nominally in competition with each other, a complex maze of interlocking shareholdings and shared directorships ensured that each was in effect almost a member of a large club that could provide important contacts, and even on occasion lines of credit. (Belgium's biggest bank, Société Générale de Banque, was a wholly-owned subsidiary of "La Générale" until banking law was drastically reformed following the financial chaos of 1929 and 1930. These linked shareholdings also made arranged mergers much easier.

These companies still have one dominant feature in common. They live to export. The total population of Belgium and Luxembourg combined is only 10m people, or roughly the equivalent of only one of the world's biggest cities. For a major steel or chemical company the Belgian home market is tiny but wealthy.

Thus industrial and economic policy remains geared to exports. Belgium is not only the heart of the Common Market in that it is host to the EEC Commission, it is also part of two "common markets" within the EEC. Belgium and Luxembourg are now linked so closely through the Belgium-Luxembourg Economic Union that they share a central bank and can separate their foreign trade statistics only with great difficulty and considerable doubt.

Customs formalities are minimal between Belgium and Holland, and monthly trade figures for Belgium-Luxembourg have to contain an estimate of the balance of trade between these two and Holland. These estimates frequently have to be revised sharply in either direction in the light of later information.

The picture is further confused by the international character of so many of Belgium's major companies. Almost all of them have subsidiaries or close associations with similar companies in France, Holland or Belgium. Physically these companies may only be a few miles apart, but it is enough to make an export statistician's hair turn grey. It also means that production can be shifted fairly easily from one country to another, and the Government tends to watch Belgian wage costs obsessively.

Although Belgium is actively trying to diversify its markets, it is succeeding only slowly. Since the UK, Denmark, and Ireland joined the EEC in 1973, the percentage of total Belgo-Luxembourg exports going to the EEC dipped to a low of 69 per cent in 1974 but recovered to 73 per cent in 1976. Other industrialised countries have declined slightly in importance, taking only 14 per cent of the total in 1976 against 17 per cent in 1973. Yet other non-industrialised countries, accounted for only 12.3 per cent in 1976. The percentage growth in value terms of exports to the developing countries, particularly the OPEC group, has been very rapid but from a small base.

In 1977 the growth in value terms of exports to these countries is estimated at 27 per cent. Exports to developing countries (fob) in 1977 totalled some $4.4bn, a sevenfold increase in ten years. Worldwide exports by Belgium over the same period increased roughly fivefold to BFrs 37.5bn.

Germany is still the main client, taking 23.2 per cent of exports in 1976—and also sending in 22.5 per cent of the imports. Holland provides 17.3 per cent of the imports, the second largest supplier, and is third best customer at 17 per cent.

These figures alone explain why the Belgian Government has always been determined to keep its currency in the snake and on a par with the D-mark and the guilder. With imports equal to half the value of the total national product, a rise in import costs would give inflation such a twist that exports would more than lose any competitive advantage within 18 months, according to the central bank's calculations.

A decline in the country's raw materials has been partly made up for by increased imports of raw materials. But there has also been a wide-open door policy for multinationals to set up in Belgium, and the more they employ and the more they export the better. As steel, textiles and mineral products decline, vehicles, optical instruments, petrochemicals and machinery take a larger and larger share of total exports.

Between 1965 and 1976 exports of common metals remained the number one export, but their percentage of the tot[al] fell from nearly 30 to just unde[r] 20 per cent. Over the sam[e] period, chemical products r[ose] from 6.6 to 10 per cent. If rubb[er] and plastics are added to thi[s] the percentage has jumped fro[m] 8.3 to 14.8 per cent, reflecti[ng] Antwerp's growth as a petr[o]chemicals centre and taki[ng] second position in the leag[ue] table of exports at curre[nt] prices.

Transport equipment is clo[se] behind, rising in value term[s] from 10.2 per cent in 1965 [to] 13.2 per cent of the tot[al]. Belgium has become a maj[or] assembler of motor vehicles, a[nd] if high labour costs (Belgi[an] wages are inflation-linked) ha[ve] squeezed out Volvo, there a[re] still hopes that the vast Fo[rd] tractor plant at Antwerp w[ill] soon be able to double [its] present capacity.

To push these expo[rts] throughout the world, Belgi[um] has one of the most extensi[ve] networks of commercial gove[rn]ment agents. In mid-1977 the[re] were 131 commercial offices [and] 92 centres scattered through[out] 61 countries. Although they [are] directly employed by the G[ov]ernment, they are expected [to] operate in a commercial w[ay]. Belgian would-be exporters c[an]not normally contact th[e] attaches directly, but can r[each] them through the Belgi[an] foreign trade office to make [in]itial contacts in a new mark[et].

One of Belgium's proude[st] boasts is that it exports mo[re] than BFr 126,000 per head [of] its population. This is doub[le] the German rate, four times t[he] British, and more than six tim[es] the figure for the U.S.

Brian Donagh[y]

Incentives and taxes

Financial facilities

THE GENERAL incentive law of 1959 is applicable to the country as a whole. Interest rebates up to 4 per cent during four years may be given on investment loans granted by banks or credit institutions. These interest rebates are conceded on credit devoted to financial investments in fixed assets, and in certain intangible assets as well as the reconstitution of working capital cut by previous investment.

Capital grants. In so far as the investment is financed by the company's own funds and is eligible under the above incentive law, the interest subsidy may be totally or partially replaced by a non-refundable capital grant.

State guarantees. The Belgian Government may guarantee the total or partial reimbursement of the principal interest and other charges of investment loans for the financing of the investment mentioned above. *Interest-free advances* up to 80 per cent of the expenses incurred on the research and development of prototypes may be granted.

Incentives in development areas

The Government may provide incentive either in the form of interest subsidies on investment loans or in the form of a capital premium to the extent that the investors project is financed 50 per cent by the investors' own financial effort. The investor can choose any acceptable bank or credit institution, Belgian or foreign. Incentives in the form of interest subsidies or their capital grants equivalent may be made up to 15 per cent. Supplementary aid may also be granted up to 21 per cent of the value. Interest-free loans to help with industrial research may also be granted up to a maximum of 80 per cent of total cost.

Tax relief

A five-year exemption from property tax levied on fixed assets which are part of an investment programme may be granted, beginning January 1, following the date of the acquisition of the property. Permission is also granted for twice the normal annual straight line depreciation for machinery, equipment and industrial buildings that have been acquired as a result of subsidised investments during three successive tax years.

Outside development areas only the first of these applies although local authorities usually have their own tax exemption rules.

Fiscal regulations for Belgian incorporated companies

The standard tax rate is 48 per cent. Incomes below BFr 1m pay 33 per cent, while incomes up to BFr 3m pay 40 per cent. Compensation for losses may be carried forward for five years and losses in the first five years of activity may be carried forward immediately in the case of companies set up since 1962.

The taxable base is interpreted as total income including directors and auditors of stock corporations in so far as they undistributed profits, non-admitted expenses, dividends paid to shareholders of stock corporations or income from invested capital paid to partners, fees, etc., paid to do not remunerate regular day-to-day functions in the corporation.

Fiscal regulations for subsidiaries. Foreign companies with industrial operations in Belgium are subject to non-resident taxation of 54 per cent. A forfeitary taxable income, based on the company's turnover or number of employees may be negotiated with the tax authorities. Headquarters of companies can negotiate a lump taxation sum if only co-ordinated activities are carried out.

Personal tax liability

Foreign residents pay tax on all their private income. However, for five or eight years some managers can benefit from a more favourable tax rate, consisting of a supplementary decrease in their taxable income of 30 per cent of an annual salary up to BFr 1.5m. For workers in research centres and auditing or co-ordinating offices, this eight year limit can be extended indefinitely if the job they perform is of such importance that their remaining in Belgium is indispensable to the successful operation of their company.

Aid in staff training

The ONEM (Office Nationale de l'Emploi) helps employers not only through its training centres but in some cases by assuming a part of the training costs or expenses of courses abroad. Subsidies up to a maximum of 45 per cent of wages and social security contributions of the workers trained depending on where the company is located.

Overseas training

Up to 50 per cent of wages, social security, travel and lodging expenses. For tutorial staff working on the premises, up to 35 per cent for Belgian instructors and 50 per cent for foreign instructors on pay, social security, travel and board, depending on where the company is located.

Capital repatriation

Foreign capital can enter and leave freely at the free market exchange rates. Movement of capital across the official exchange requires the permission of the Belgo-Luxembourg Exchange Institute. Incomes and profits can be repatriated without restriction via the official market, and the institute can grant repatriation guarantees for foreign capital invested in manufacturing or long-term ventures.

Juliet Bourgouin

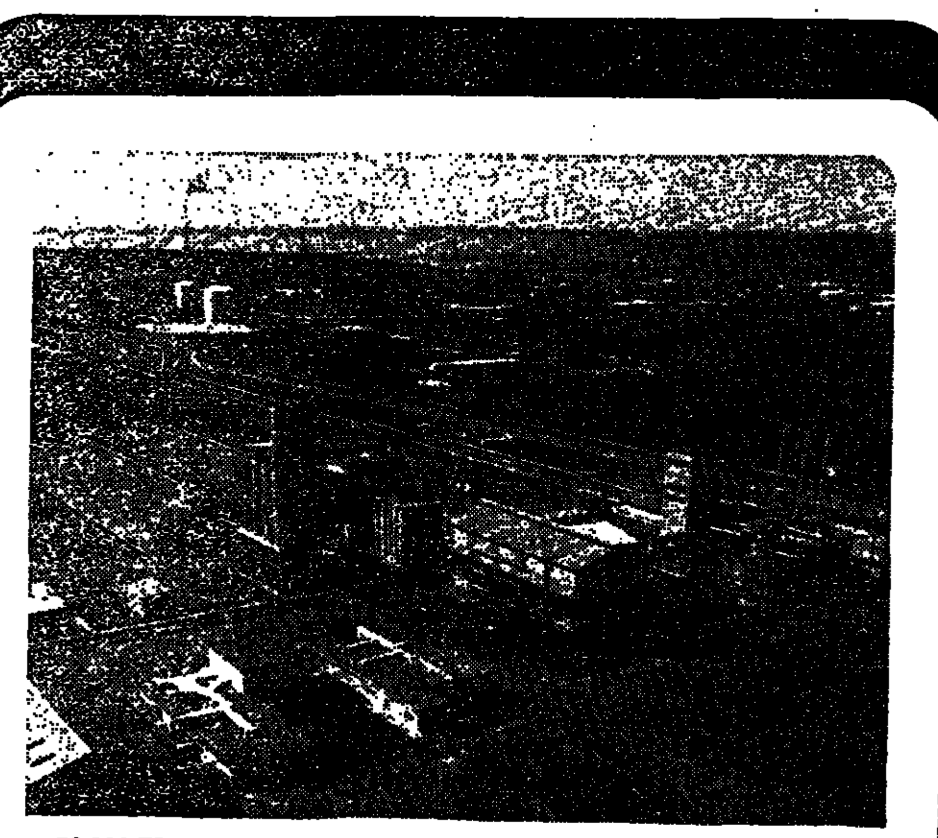
LAND AVAILABILITY IN DEVELOPMENT AREAS
(in hectares)

Wallonia (103 zones)	
Brabrant	300
Hainault	2,000
Liege	1,300
Luxembourg	170
Namur	900

Flanders (124 zones)	
Antwerp	1,200
Flemish Brabant	716
Limburg	700
East Flanders:	
Dry site	1,400
Deep water site	7,000
West Flanders	1,395

PERSONAL TAXATION, MAN, WIFE AND TWO CHILDREN

	Belgian taxpayer		Foreign taxpayer with tax relief	
Gross taxable income, B Fr	Taxable income BFr	Tax due BFr	Taxable income BFr	Tax due BFr
1m	930,000	321,485	630,000	184,535
1.5m	1,430,000	578,885	980,000	344,860



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BELGIUM V

Receiving a taste of labour unrest

ELGIUM IS a country little oubled by industrial strife. Its ades unions concentrate more negotiating a better deal for eir members than on dabbling the politically troubled aters of industrial democracy. s managements are also un- ed to confrontation tactics, ing dominated by much the me practical spirit that cepted index-linked wage creases as the norm in Bel- um 30 years ago, and helped oneer their introduction in e Belgian mining industry as rly as 1920.

Indeed, if foreign investors ve been finding Belgium less tractive in recent years it is cause of high wage costs and it a poor strike record. Yet late the country has been tting a taste of labour unrest at could become chronic. The oblem is not labour relations it unemployment—which is ready the second highest in e EEC—and serious over- pacity difficulties in Belgium's sic industries that threaten make matters much worse.

It seems improbable that Bel- an unions and managements uld lose the willingness to gotiate, but there have been veral straws in the wind to ggest that the danger exists. e latest example was last onths' dispute over the dismis- l of 256 workers at the Ant- erp oil refinery closed down Occidental Petroleum. To ost Belgians the ensuing sym- thy strike by petrol industry orkers throughout the country as little more than an incon- nience, even if the scares over trol hoarding did interrupt e normally comfortable and en tenor of Belgian life.

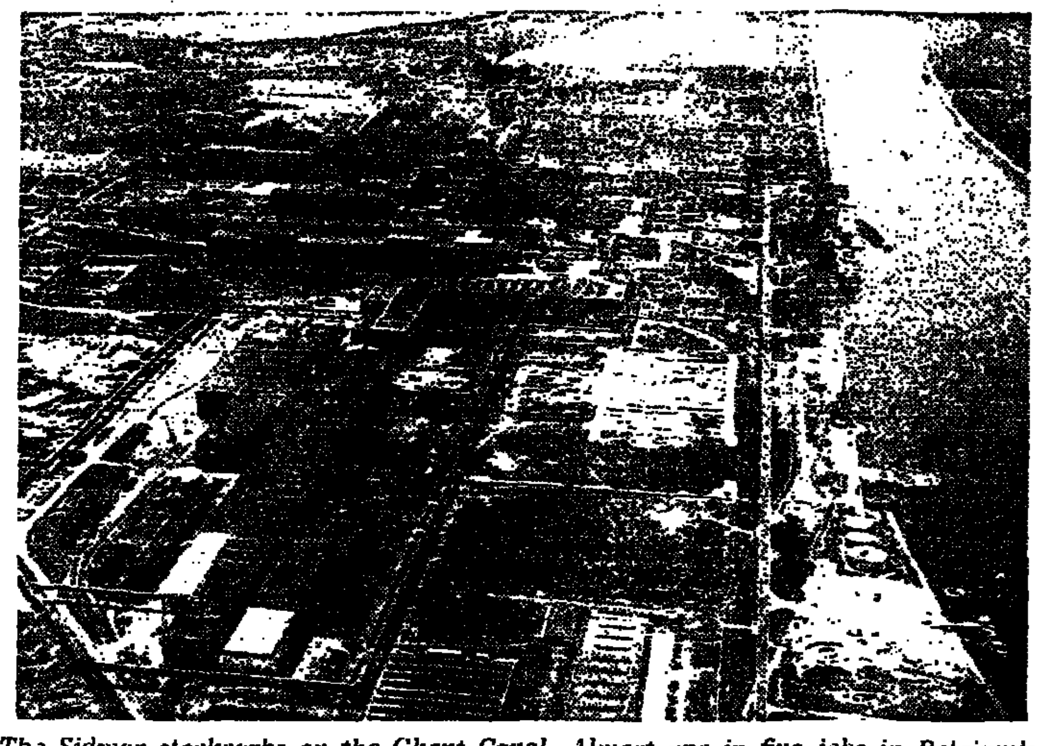
Bitterness

But to some industrialists the terness that became evident ring the strikers' three-week empt at getting the refinery prieved has been cause for ncern. "It seemed," one ussels banker commented, "as a Massada reflex had taken ld. The strikers were just a andful of desperate men pit- ng themselves against the ecline." And in truth the ntwerp installation run by Occidental's Raffineries Belges des Petroles (RBP) subsidiary had been selected for closure as one of the less radical options available to its multi- national parent when faced with a problem of European over- capacity.

The fear is that as other and more labour-intensive industries are forced to cut back as part of the general restructuring and streamlining that the industrial- ised nations must undertake, Belgian labour will rapidly be- come less co-operative. Equally the concessions that have been made so far—notably the settlement agreed with the RBP workers over redundancy, early retirement and the intriguing creation of a "reserve labour pool"—cannot be stretched to cover the victims of forth- coming closures. In Belgium's steel industry alone 8,000 jobs, or almost one in five, are due to disappear, and in textiles con- ditions are much the same.

The unions' answer to the situation has been an insistence on the need for work-sharing schemes that would help spread employment by cutting working hours. At the end of 1977 the Confederation des Syndicats Chretiens (CSC) and the Federation Generale du Travail de Belgique (FGTB), the two largest union groupings with a total of over 2m members, both came out in support of a reduc- tion in working hours as an alternative claim to direct wage increases. This year has seen something of a breakthrough, with about 20 per cent of Bel- gium's large industrial private sector now working less than a 40-hour week, and the unions pressing for a general 38-hour week, and in some cases 36 hours.

Views on how work-sharing could be structured vary widely: some see longer weekends or the granting of extra holidays on an individual basis as the goal. But the upshot of the movement remains that Belgian labour costs in those industries concerned have generally been compensated for by productivity increases but both management and Government remained con- cerned that Belgian industry will become uncompetitive.



The Sidmar steelworks on the Ghent Canal. Almost one in five jobs in Belgium's steel industry are due to disappear during the next few years.

There are some grounds for arguing, though, that the con- flict of interest has not yet become as serious as the unem- ployment figures might suggest. Belgian unemployment is cur- rently 6.7 per cent, and thanks to Employment Min- ister Spitaels' special measures is currently falling.

At the beginning of this year the jobless total was more than 304,000, giving a rate of 7.5 per cent that suggested, when set against the background of the industrial restructuring still to come, that Belgium was rapidly catching up with the Ireland as the EEC's unemployment black- spot. But the Spitaels plan, with its early retirement measures and special employment schemes, has now reduced the unemployed total to about 270,000 and promises almost 40,000 additional jobs before the end of the year. Some union leaders, notably the representa- tives of the Flemish workers who tend to gravitate towards the CSC grouping, are eager to supplement the effects of Gov- ernment action by adopting in Belgium the excess profits tax that is being imposed on Dutch companies to finance early retirement.

Whatever the internal divi- sions in the Belgian labour movement—and these tend to be more philosophical than nakedly political — there is general trades union support for an inter-industry worksharing deal in 1979. The argument is that it is the only feasible way of cutting unemployment to an "acceptable" level of 100,000-150,000 by 1980. The alterna- tive, say the unions, would be a 6 per cent GNP growth rate until then, which is about three times the rate forecast.

G. M.

Ambivalent policy towards Zaire

BELGIAN INTEREST in the developing world is still concen- trated on Africa. And Africa to most Belgians, thus still means Zaire. That is where half the country's foreign aid goes and where its biggest overseas investments are concentrated. Around 25,000 Belgians still live in what used to be the Belgian Congo and the econo- mic ties between the two coun- tries are considerable. They in- clude more than $1bn of invest- ment (much of it confiscated by the Zaire Government but re- cently handed back to Belgian owners): considerable commer- cial ties, particularly involving Societé Generale de Belgique, Belgium's largest holding com- pany: and a considerable flow of raw materials to Belgian in- dustry. Last year of Belgium's total copper imports of 585,000 tonnes, 340,000 tonnes came from Zaire and 4,000 of its 5,300 tonnes of imported tin also came from Zaire.

But Belgium's policy towards Zaire is ambivalent. It wants to protect its investment, to in- crease its role in the develop- ment of the country's rich min- eral resources, and ensure con- tinued access to strategic min- erals such as copper and cobalt. It realises that Zaire, with its eight land borders with south- ern, western and eastern Afri- can states, is critical to the future of Africa, and therefore has an interest in its economic and political stability.

But it is also anxious to keep all options open, to appear poli- tically non-aligned and to shrug off all vestiges of the former colonial relationship—or at least to appear to be doing so. It would like to be on good terms with all the African pow- er groups and to avoid any move which might be seen as interventionist—like propping up an incumbent government at the expense of opposition groups.

Reconciling these aims is probably impossible. The Government in Kinshasa led by President Mobutu is widely acknowledged as inefficient, corrupt and unpopular and it is highly likely that without Western support over the years, it would have fallen to one or another of the challenges it has faced. Much of this Western support has been mobilised by Belgium, the latest instance being the international aid con- sortium formed to help put the mismanaged Zaire economy back on its feet. Belgium also bears the cost of keeping Moroccan troops in Zaire to support the Mobutu Govern- ment. But it has managed, from time to time, to make token gestures towards neutrality— such as tolerating the presence in Brussels of several exiled groups of opponents to the Mobutu regime, and several members of the Government in Brussels have made no secret of their doubts about President Mobutu.

Until the Shaba crisis last May, the Belgians generally managed to keep their heads down and do most of their work behind the scenes. The in- vasion of Shaba province by an exiled opposition movement, the Angola based Congo National Liberation Front (FNLC), forced Belgium reluctantly to take a stand. The invasion began on May 12 when rebel forces, estimated at between 1,000 and 1,400, crossed into Zaire and seized the copper mining town of Kolwezi. Despite fears for the 3,000 Europeans living in the town, most of them Belgians, the Government in Brussels was unwilling to intervene. If the intervention was necessary, they wanted to do it with other countries. While the Belgian Cabinet dithered, the French Govern- ment moved in, sending Foreign Legion troops to Kalwezi. Belgian paratroopers arrived in Kolwezi well after the French had retaken the town, and their part was restricted to organising the evacuation of around 2,000 Europeans.

But despite the horrifying stories told by the evacuees of the massacre of more than 200 Europeans by the rebels, which many felt justified the French military action, Belgian min- isters tried, at least initially, to draw a distinction between the "humanitarian" aims of their own troops and the more inter- ventionist ones of the French. Relations between Zaire and Belgium became very strained as President Mobutu publicly accused M. Henri Simonet, the Belgian Foreign Minister, of delaying military aid and ordered Zaire diplomats to dis- regard him.

The fact that relations im- proved following M. Simonet's visit to Zaire in August prob- ably owes much to President Mobutu's knowledge that he needs Belgium's friendship and support in the continuing negotiations over the inter- national financial aid operation. But things are not as they were. Many in Brussels are far from confident that the Mobutu regime can or should survive, while Kinshasa seems to be making a determined effort to replace Belgian technicians and experts, vital to Shaba's mining industry, with other nationals.

Meanwhile, both countries are consolidating ties with Angola. A much publicised rapprochement three months ago between President Mobutu and President Neto of Angola, with both leaders promising to muzzle the opponents of the other who operate from within each country, was followed in September by M. Simonet's visit to Luanda. This in turn led to a visit earlier this month by an Angolan minis- terial delegation actively seek- ing Belgian investment. Belgium already has a small but significant investment in- terests in Angola's diamond industry and offshore oil ex- ploration, and is keen to see the country adopt full member- ship of the Lomé convention (it has observer status at the cur- rent negotiations for Lomé 2)

The Belgians seem wary of sticking their necks too far into Africa on their own. They want neither the privileges nor the responsibilities of a post- colonial relationship and say that in future they would prefer to take part in aid programmes —economic or military—only if they involve several Western powers. They also consider that such aid efforts can strengthen ties between Africa and the West only if the donor countries make no overt attempt to use them to recruit allies for a future East-West clash. M. Simonet has not gone as far as Mr. Andrew Young, the U.S. Ambassador to the United Nations, in acknowledging the Soviet-Cuban presence in Africa as a stabilising factor but in a recent speech he did urge a more positive attitude towards it. "We should be very clear in telling those African coun- tries which have opted for an Eastern presence that we have no objection to their choice— that we want them to follow their own course, not cut ties established over many years," he said.

Margaret van Hattem

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Farmers firmly committed to price support

THE GREY streets of Brussels have recently been brightened by a new series of posters. Fresh-faced young men and women beam down from the hoardings. They are all wearing dazzling white T-shirts sporting mottoes (in both French and Flemish) such as "I love Belgian butter" and "Drink milk every day." This echo of Britain's daily pinta campaign of the 1960s is the brainchild of M. Antoine Humblet, Belgium's Agriculture Minister. He plans a big follow-up campaign on Belgian radio and television, in the hope of persuading people to increase their daily consumption of dairy products, now the equivalent of about half a litre of milk.

This is his contribution to the continuing struggle to reform the EEC's Common Agricultural Policy (CAP), which by supporting farm prices at an artificially high level has encouraged production to shoot up away ahead of consumption. Milk and sugar are the most striking examples. Belgium produces twice as much milk as it consumes.

The country is too small to deserve much blame for the EEC's notorious food mountains. It produces only 4.2 per cent of the Community's $90bn or so annual farm output. Moreover, agriculture is not a major sector of the Belgian economy. It employs less than 3 per cent of the workforce (the average for the Nine is over 8 per cent) and contributes around 2.5 per cent to Gross National Product (the EEC average is 4 per cent).

Yet whenever EEC Farm Ministers come to Brussels to raise farm support prices and talk about reducing food surpluses, Belgium is usually found alongside those pushing hardest for higher prices. And it looks like staying there for some time to come. M. Humblet is not impressed by the argument that freezing or reducing support prices curbs production. Like many others, he has seen it have just the reverse effect. EEC officials estimate that a 10 per cent price cut would be needed to discourage milk production, and this is politically impossible. So what is to be done?

For a start, says M. Humblet, we must boost consumption. This will not be easy since Europeans already consume about as much milk, butter and sugar as they want, and while prices continue to rise and doctors to advise that these products are fattening and bad for the health, they are unlikely to respond too enthusiastically to poster campaigns.

Villains

Yes, says M. Humblet, we must also reduce the incentive to produce. But not in a way which might harm the "real farmers." The villains are the "factory farmers"—the Dutch who simply use cows to process imported manioc root and soya into milk, boosting the yield per cow in the process. "Farmers without land," snorts M. Humblet. "This is industry, not agriculture, and the CAP was not designed to protect industry."

He would like to see a quota system introduced which would penalise these irritatingly productive Dutchmen should they produce more than their fair share, while leaving alone the peaceable Belgians, who have not increased their output in 20 years. Similarly, M. Humblet says he will oppose attempts, put forward by the EEC Commission in its latest plan to attack the milk surplus, to suspend or reduce public buying of surplus dairy products. "I'm open to all proposals to cut production—except those which may harm agriculture," he adds.

It is much the same story for Belgium's other main farm products, which are concentrated in those sectors most heavily supported by the EEC. Of the country's total farm output, milk constitutes about 15 per cent, beef and veal about 15 per cent, pigmeat about 30 per cent, sugar just under 5 per cent—all fully supported—and fruit and vegetables 14 per cent (of which about one-third receive price support).

The problem of CAP reform, when it comes to Belgium, is largely that of scale. The size of the average holding, at 17 hectares, is bigger than it was five years ago, but the growth has slowed and it is still among the smallest in the Community.

This puts a premium on high productivity, which in turn means a high level of investment in relation to area. Belgian farms tend to be small family businesses, sometimes with more heavy machinery than is strictly economic for the area of land involved, but relatively productive by EEC standards.

However, costs are high. The market value of land, for example, is higher in Belgium that in any other EEC member State; 1975 figures show Belgian agricultural land at 6.600 units of account per hectare compared with German land at 6,100, Dutch at 5,700 and English at 1,950. Labour, fertiliser, machinery and feed costs similarly tend to be higher in Belgium in relation to the value of production than in most parts of the Community.

On top of this is the problem of green currency rates (used to translate EEC support prices from units of account into national currency). Belgium maintains a smaller margin between its green rate and its foreign exchange rate than most EEC members. So when support prices are cut it has far less leeway than, for example, Britain and Ireland to soften the blow by revaluing the green currency. The impact on the family income is felt immediately.

On a small family farm the difference between a 3 per cent price rise and a freeze can be the difference btween staying on the land or going. With industrial unemployment high, the Government does not want a reduction of the rural population just now. And since Belgian farmers believe their incomes ought to be drawing closer to parity with those of the remaining industrial workers, among the highest paid in the Community, M. Humblet does not want to be seen supporting policies leading in the opposite direction. The farm lobby is highly organised and politically very strong.

Harvests

This year the farmers can be expected to press hard for increased EEC support. The mild weather, with plenty of rain and sufficient sun at the end of the summer to ripen crops, has meant near-record grain and fruit harvests in most parts of the Community—and falling prices. A surplus of potatoes (not yet eligible for EEC support) has helped cut fodder bills. But pig producers are in a bad way. Increasing over-production has brought a steady slide in wholesale prices throughout the summer. Poultry prices are also sliding. Beef seems to be the only sector where prices are rising as the supply cycle moves towards the expected shortage. Beef prices in Belgium are well above the intervention floor and likely to continue rising.

But the general picture is discouraging one for those in the EEC Commission who wish to continue the stringent price policy of the past two years. Some time next month the Commission is expected to present its proposals for 1979 farm prices to the Council of Ministers. And in the ensuing months of bickering, it is fairly certain that once again, Belgium will be in there fighting as hard as ever to push prices up.

Margaret van Hatten

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Endless bickering over devolution

EALIER THIS month when the Belgian Prime Minister, Mr. Leo Tindemans, resigned for the second time this year, seasoned observers of the Belgian scene murmured, "What, again" and turned to the football scores.

The motorist following the carefully signiposted motorway from Brussels to Louvain and Tirlemont, who suddenly finds to his utter bewilderment that he is heading for Leuven and Tienen, and five minutes later, without having changed course, finds he is back on course for Louvain and Tirlemont, begins to understand the frustrations that led Mr. Tindemans to give up in disgust.

The seemingly senseless changes in road signs that disorient so many foreign travellers are typical of the many petty manifestations of the quarrel between the Flemish and Walloon communities which is strangling political debate in Belgium.

Letters to Flanders addressed in French usually take several days longer to arrive than those wtih the same address written in Flemish or are returned to sender: tourists in Brussels who ask a policeman, in their best French, the way to the Grand Place, are courteously told—in determined English.

Meanwhile in the Belgian Parliament, debate on several industrial and other economic problems is cut short to allow time for the endless bickering over devolution, which to the non-Belgian, seems so trivial as to be almost incomprehensible.

The humiliations and sense of cultural inferiority imposed on the Flemish community by the French-speaking Walloons during the long years of French rule are so deeply ingrained that a complete switch in their relative economic positions has done little to alleviate the bitterness. Until the Second World War, French speakers controlled the civil service and held sway in commerce and politics. Today, with the decline of the steel-based industries of Wallonia and the prosperity of agriculture and trade in the north, Flemings earn around 15 per cent more than Walloons. They contribute between 70 and 80 per cent to the gross national product, and their representation in politics, in administration and in commerce reflects this. But they still want their pound of flesh and are determined to stamp out any moves which might make things more comfortable for those who wish to live in Flanders but to conduct their business in French.

Flemish suspicions that the use of French as an official language in Flanders might encourage French-speakers to demand more linguistic rights has repeatedly stalled progress towards devolving power from the central Government to the two linguistic communities. But the biggest sticking points have always been points of detail: the broad outlines of the plan have long been agreed and it is generally accepted that devolution, as envisaged, is the only way the two communities can live together, even though it will make Belgians the most over-represented people in the world.

Under legislation sent to Parliament in July, Belgium will be divided into three regions—Flanders, Wallonia and Brussels—each to be governed by an elected regional council. These regions will be further broken up into sub-regions—11 in Flanders, 13 in Wallonia—governed by elected sub-regional councils. Each sub-region will comprise a number of communes, also governed by elected representatives. The present system of provincial assemblies will disappear, but provincial governors will remain—carrying out certain ceremonial and administrative functions.

Although the legislation has passed the committee stage, it is still not entirely clear who will do what in the new regime, and demarcation disputes are expected to cause headaches for years to come.

At first glance, the proposed structure of government looks very complicated. Broadly speaking, it is as follows.

The central Government will comprise a Senate (upper house) and a Chamber (lower house). The Chamber will have the responsibility for "important national policies" such as defence, foreign policy, national economic, fiscal and budgetary policy, foreign trade and participation in the EEC. The Cabinet must contain equal numbers of Flemings and Walloons. Members of the Chamber will be elected, as now, every four years. The Senate will cease to be elected and will, instead, include members of the newly-created French and Flemish community councils, together with representatives of Belgium's small German-speaking community. It will have responsibility for "cultural affairs," health, education and "personal issues which concern the citizen as an individual." The Senate will be able to amend legislation, but no longer to block it, and to revise the constitution. Senate decisions will require a majority in each linguistic group, but the Chamber will always have the last word.

The three regional councils will have responsibility for all matters "not reserved by the central Government," such as industrial development and agriculture. It is not yet clear how much real power they will have since, at least during the first "transitional" years, they will have little direct access to revenue and will be financed by the central Government according to a formula based on population (favouring the Flemish), tax returns (favouring Brussels) and land area (favouring Wallonia).

The function of the sub-regional councils is even less clear. They will carry out talks delegated to them by the central Government, the regional councils or the communes—probably rationalising gas and electricity supplies or promoting tourism. Sub-regional and communal councillors will be elected in simultaneous polls every six years. Sub-regional councils will be financed by rates, loans guaranteed by the state, community, region or commune, and compulsory contributions from the communes and regions.

The government bodies at each of these five levels (chamber, community councils, regional councils, sub-regional councils and communes) will have an executive body which will almost certainly mean a sharp rise in the number of civil servants and consequently in the cost of running the country. But all this has been accepted as necessary. The real sticking point, which finally brought down the Tindemans Government earlier this month, centres on Brussels.

In linguistic terms, Brussels is an island of predominantly French speakers (80 per cent) inside Flanders. Over the past decade or two there has been a steady drift of population from the city centre to the green and pleasant suburbs, spilling over into Flanders, and creating small but politically significant pockets of French speakers. The Flemish refer to the phenomenon as a dirty "oil stain," polluting the purity of Flanders: "Keep Sterrebeek clean, green and Flemish," proclaimed the posters in a publicity campaign not so long ago.

Hence the acrimony in the prolonged debate over the length of time during which French speakers in seven communes just outside Brussels will be able, for civic and legal purposes, to register as residents of francophone communes in Brussels.

This emotive but apparently minor point still threatens to undo the years of negotiation and compromise, and continues to divert attention from the problems that must arise in a more dispersed administration. In view of the severe economic problems confronting the country today, Belgians do, to the outsider, appear bent on making things unnecessarily difficult for themselves.

M. van H.

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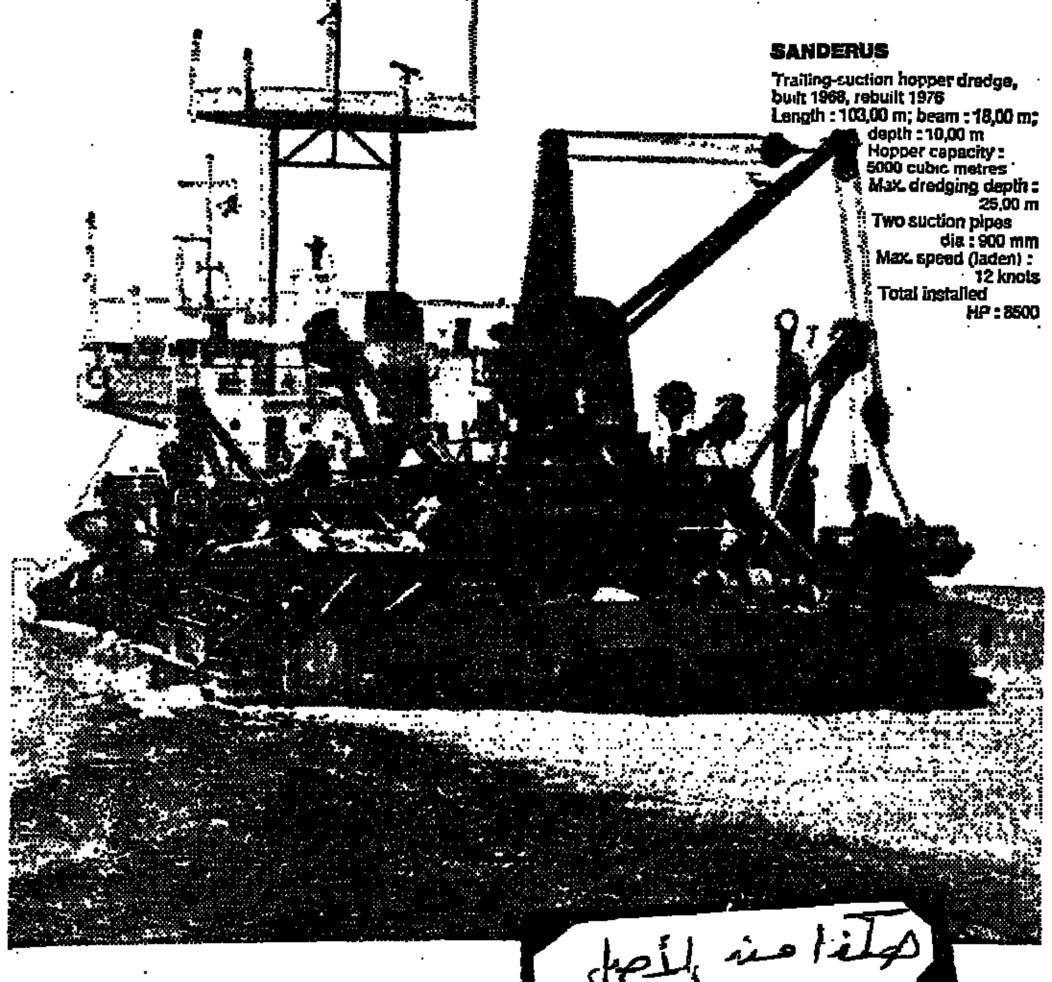

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FARMING AND RAW MATERIALS

EEC maize syrup levy 'unfair'

BY MARGARET VAN HATTEM

BRUSSELS, Oct. 25

THE EUROPEAN Court of Justice ruled today that the production levy imposed by the EEC Commission on isoglucose (high fructose maize syrups) is unfair.

The levy violated the principle of equality between isoglucose manufacturers and beet sugar refiners, the court ruled.

It said that although the levy of 5 units of account per 100 kilos had been calculated according to a formula which took into account a beet sugar production levy of 9.8 units of account per 100 kg, the isoglucose producers were more severely hit.

This was largely because the beet sugar refiners were able to pass about 60 per cent of the levy on to beet growers.

The case was referred to the Court of Justice by national courts in the Netherlands and the UK where several isoglucose manufacturers have challenged the EEC Commission and the Council of Ministers on grounds of discrimination.

Damages are being sought in three cases. A further ruling is needed to clarify whether these are to be paid.

Today's ruling does not oppose the isoglucose levy in principle; it merely finds it too high but does not indicate by how much. This part of the case has now been referred back to the national courts in question.

The three companies concerned are GR Amsylum of Belgium, Tunnel Refineries of the UK and Koninklijke Scholten-Honig (KSH) of the Netherlands.

They submitted that they were being discriminated against because their entire isoglucose output was subject to levy, whereas the beet sugar levy applies only to the so-called B quota. Taking total production into account, the penalty on sugar was only one-fifth that on isoglucose, they said.

In establishing the principle of equality, the court has implicitly upheld the eligibility of isoglucose producers to claim an export subsidy, currently about 15 units of account per 100 kg, but rejected their claim for restitution of certain starch subsidies on maize, from which isoglucose is made.

The imposition of the levy last year caused several manufacturers to reduce or abandon isoglucose production.

Last night the court's decision was hailed by Mr. Bernard Smartt, managing director of Tunnel Refineries, as "a triumph for fair play over protectionist agricultural pressure groups.

He said: "I hope the starch industry will now be able to forge ahead without further needless restraint. Isoglucose is an alternative sweetener to sugar which has been welcomed in the UK by consumer organisations and food manufacturers alike, both of which have helped us in the struggle."

In Washington meanwhile, Mr. Bob Bergland, U.S. Agriculture Secretary said the U.S. sugar price would be supported at 15 cents a lb, reports Reuter. Work had begun on a proclamation which will permit continued reliance on the fee-and-duty method to keep domestic prices above that level, he added.

Mr. Bergland is also considering a recommendation that the maturity date on 1977 crop sugar now in storage be extended. He said a notice soliciting public comments and recommendations on a proposed extension to September 30, 1979, would be published soon in the Federal Register.

President Carter has agreed to support legislation in the next Congress, convening in January to provide a domestic sugar programme as well as authority for the U.S. to carry out its obligations under the International Sugar Agreement.

The Administration will seek Senate ratification of the agreement early in the new Congress, Mr. Bergland said.

Traders attending the British Sugar Corporation's autumn demonstration in Brome, Suffolk, said the UK sugar beet crop is expected to total 1.04m tonnes in 1978-79, against 950,000 tonnes in 1977-78 and a record 1.07m tonnes in 1971-72.

This compares with an estimate of 950,000 to 1.05m tonnes made earlier this month by the corporation.

● In Brussels the EEC Commission authorised sales of 49,600 tonnes of white sugar but no raws at its weekly export tender, Commission sources said.

The maximum export rebate for whites was raised to 23.899 units of account per 100 kilos from 23.339.

Last week the Commission rejected all trade offers for whites and raws and authorised no exports.

Copra price at four year high

By Our Own Correspondent

PHILIPPINE copra prices reached a four-year high of $605 a tonne in the London market yesterday, following a warning in Manila that typhoon "Rita" could strike areas of northern and central Philippines later this week. Coconut oil prices also moved up to well over $900 a tonne.

The typhoon threat is the latest development in a market where prices have already risen strongly in recent months. Shipping delays and reduced supplies of adequate quality have been behind the market upsurge, according to London traders.

Increased export duties, aimed at discouraging overseas sales in favour of domestic crushers, have also helped fuel the rise in copra prices, Reuter reports.

Philippine copra exports are gradually being phased out as local processing capacity expands. Copra exports during the first nine months of the year fell to 319,711 long tonnes.

In contrast, coconut oil exports during the first nine months jumped to 722,352 long tonnes against 535,702 tonnes previously, although this includes bigger shipments to China, the Soviet Union and Indonesia.

UK plea on endangered species

BY RICHARD MOONEY

BRITAIN WILL seek extra protection for certain endangered species of dolphins and porpoises at an international conference to be held next spring, it was announced in London yesterday by Mr. Ken Marks, Under-Secretary of State at the Environment Department.

When the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) meets in Costa Rica in March, the UK delegation will propose that 11 species of dolphins and porpoises should be added to the "endangered" list.

This effectively would prohibit imports by member countries of whole animals, live or dead, and of "readily recognisable" parts and derivatives.

Britain will also be proposing that several types of whale should join the lists of "threatened" species. This would require members of the convention to monitor trade in the products derived from these whales so as to give early warning should they begin to approach the "endangered" classification.

The UK also wants the convention to specify more clearly the animals and animal products which should not be imported by its members. Britain has worked with Switzerland and West Germany to produce a list of items which should not be imported.

These include trophy heads: fur skins of the cat family; bears; otters: some monkeys and zebras; elephant and kangaroo hides: all ivory, worked or otherwise; rhinoceros horn, even if powdered; and reptile skins.

The Government will lay an order before Parliament before Christmas which will extend UK controls not only to all items on the proposed list, but also for a number of other products of endangered species including plumage and rare leathers.

The plans for extra controls on harvesting of dolphins and porpoises are based on a major review of all *cetacea* (whales, dolphins and porpoises) undertaken by the Department which Mr. Marks described as "a major contribution to international understanding of the trade in whales and porpoises."

Department officials said Japan's increasing interest in the dolphin harvest as a result of declining opportunities for whaling was causing great concern.

Because of lack of information on *Cetacea*, the British proposal will call for all whales, porpoises and dolphins not prohibited for international trade under appendix 1 of the convention to be classified under appendix 2, which calls for import licensing for the purpose of monitoring trade.

The Department's review confirms that the sperm whale is not an endangered species. Sperm whale oil is one of the few whale products still imported into Britain. The 1976-77 import total was 5,196 tonnes compared with 14,341 tonnes in 1970-71 but Mr. Marks said: "The UK is working towards decreasing dependence on sperm oil for industrial use and the Government is encouraging, and in part funding, research into alternatives."

The Washington Convention has been signed by 80 countries and ratified by 48. Japan is the only major importer not to have ratified it.

● The European Parliament in Luxembourg has voted in favour of spending nearly £25m on policing Common Market fisheries.

Just how much will actually be spent remains to be seen. The Council of Ministers will undoubtedly cut some of the programme but Parliament has the formal power to reject any budget propsed by the Ministers.

Parliament wants to spend a large slice of the money, about £12.5m, on creating a new Common Market coastguard service. In its comments on the project, the Parliament says it could provide more effective and neutral control of EEC waters and help the EEC to assert itself.

The Parliament also wants the EEC to spend another £12m setting up an organised market for fish products.

Free market platinum at peak price

BY JOHN EDWARDS, COMMODITIES EDITOR

PLATINUM REACHED a new peak of £175.15 an ounce, up £3.35, on the London free market yesterday, following the fall in the value of the dollar and the record price of gold.

Cash tin also closed at a new peak of £7,875 a tonne, up £30, but the three months quotation lost ground and closed £15 lower at £7,665. In Penang overnight Straits tin climbed above M$2,000 a picul for the first time, gaining M$34 to M$2,100.

The firmest market, however, was lead where rumours of renewed Russian buying helped lift the cash price by £8.75 to £422.25 a tonne and the three months quotation by £10.325 to £406.675.

The autumn edition of Metals Analysis and Outlook, out yesterday, covering the period to end 1977, says there is little prospect for a substantial improvement in metals consumption over the next year or so since there appears to be no end to the slow economic growth in the OECD area.

Nevertheless, all is not gloom for producers, according to the magazine. The converging trend in individual countries' economic growth rates gives grounds for hopes of an improvement in the longer term.

Most metal prices, with the possible exception of tin and gold, are expected to rise or remain firm. Aluminium is forecast to rise strongly to 59 cents a pound next year, while copper should be about 65-75 cents a pound (£730-£830 a tonne).

Nickel is considered to have "turned the corner," and firm prices are also predicted for lead, platinum and silver.

Reuter reported from Paris that the world copper market has entered a firm phase and supplies could continue to be rather tight, at least for good-quality copper, in the first months of 1979, the French Industry Ministry said.

The system of pricing copper at a premium over London Metal Exchange prices will be extended and this would lead to wider premiums over London prices for good-quality copper such as cathodes, the Ministry added.

MEXICAN AGRICULTURE

Problems could bring a bitter conflict

BY WILLIAM CHISLETT IN MEXICO CITY

WHEN land-hungry peasants invaded thousands of acres in the state of Oaxaca in southern Mexico earlier this month, the country's sensitive agricultural problem was once again brought to the forefront after a lull in attempted land invasions.

The peasants agreed to call off their occupation until next month, by which time the Government says it will have dealt with their demands for land they claim is theirs.

If the demands are not met the prospect of a potentially bitter conflict is likely.

The invaders, many of them pure Indian, have grouped together in an organisation calling itself the Indigenous Association for the Defence of Peasants. Behind their invasions is the desire to reclaim 150,000 hectares of land which they say is communal land taken away from them by private farmers.

The dispute dates back more than 40 years to the time of Mexico's much-vaunted agrarian reform. But really at the root of the problem is the country's whole agricultural situation.

Mexico does not produce enough to feed itself, but what is more worrying for the Government is that agricultural production cannot now even keep up with the rise in population.

This year, agricultural production is not expected to increase by more than 2 per cent, in spite of government assurances to the contrary, while the country's population will increase from 64.5m to 66.9m, according to official figures, an increase of 3.6 per cent.

About 40 per cent of the 18.8m labour force work in the agricultural sector and many more people depend on it—there are no reliable statistics—although it accounts for only 9 per cent of gross domestic product.

With unemployment and underemployment unofficially estimated at about 50 per cent, and with a very high percentage of the population (34 per cent in 1977) under the age of 12, there is a potentially explosive situation in the countryside.

The Government has managed so far to defuse it partly by sanctioning some takeover of land and trying to channel more credit into agriculture.

The present government is giving high priority to agriculture compared with previous regimes. The Federal Budget for 1978 allocated Peso 53.4bn ($2.4bn) to agriculture—8.4 per cent of the total budget and the fourth highest investment; oil taking the most money. State investment in agriculture last year was $1.8bn.

A look at the government's own statistics paints a gloomy enough picture. For example, total harvested land this year amounts to 15.7m hectares compared to 16.1m last year in spite of efforts to sow more crops.

The sacrosanct principle of the Mexican Revolution of 1910 which overthrew the dictatorship of Porfirio Diaz was "Tierra y Libertad" (land and freedom) and "The land for those who work it." As a result the haciendas—the privately-owned states—were generally swept away and replaced with the Ejido system—State-owned smallholdings.

Although this has ended the injustices of the previous system, it has not solved the problem of agricultural production. Private farmers have managed to get round the law which imposed a limit of 100 hectares per person by buying plots in the names of different members of their families.

Sr Jose Lopez Portillo, Mexico's president, admits that the fundamental problem now is not dividing up land (there is not enough for everyone) but multiplying the yield. And so, faced with increasingly large imports of maize and wheat, efforts are being made to improve the antiquated methods of production on the Ejidos.

This year's wheat imports are officially forecast at 650,000 tonnes compared to 495,391 tonnes in 1977 and maize imports are put at just over 1m tonnes compared to 1.7m last year.

The maize import figure is generally considered to be far too low and that probably more maize than last year will be imported. Domestic production of maize this year is estimated at 10.3m tonnes compared with just over 10m tonnes in 1977. And Mexico has 2.4m more mouths to feed this year than last.

The situation has been aggravated this year by the unusually large amount of rain this month which has destroyed an estimated $4.4m-worth of crops, including wheat and soyabeans in the northern state of Sonora.

A quarter of the federal budget is being spent on infrastructure improvements including a target of 35,000 hectares of irrigated land to be rehabilitated and a further 143,000 hectares to be opened up for new irrigated land.

The amount of irrigated land has increased from about 2.4m hectares in 1970 to about 3m. But the mountainous topography, and scarcity of water severely limit the area which may be cultivated to about 17 per cent of Mexico's total land area.

Faced with this depressing situation, efforts are being centred on increasing yield per hectare. Maize yields have increased from 1,272 kg per hectare in 1971 to 1,359 last year but they are still well below U.S. yields.

The government is trying to counter the desperately poor lot of many rural workers by continually increasing guaranteed prices. Wheat which was 2,050 pesos per tonne last year is now 2,600 pesos.

The plight of Mexico's rural poor is such that a thousand people a day are officially estimated to be arriving in Mexico City from the countryside and some of those who took over land in Oaxaca are probably already on their way to the capital.

Food plea by Solomons

BY DAI HAYWARD

WELLINGTON, Oct. 25

THE newly-independen Solomon Islands is anxious to break through traditional trade barriers and become a major supplier to New Zealand of sugar, tropical fruit and rice.

In a visit to Wellington, the former Solomons Chief Minister, Mr. Solomom Mamaloni, urged New Zealand to sign a bilateral trade agreement. This would help his country much more than any aid grant, he said.

The Solomon Islands, with a population of 200,000, is the third largest land mass in the South West Pacific—after New Zealand and Papua New Guinea.

The country has large areas of undeveloped land which Mr. Mamaloni believes could be developed jointly for large-scale production of tropical crops needed by New Zealand.

A bilateral trade agreement would save New Zealand valuable overseas funds because she would not have to spend a dollar of non-New Zealand currency, Mr. Mamaloni said.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Steady on the London Metal Exchange after a day of active trading. Following the strong Comex market overnight and the fall of the dollar early morning, forward metal started at £765 and traded for the most part between £765 and £769 with physical business not as extensive as on recent days. The close on the Kerb was £766. Turnover 21,875 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	745-.5	+3.5	745.5-6	+1.75
3 months	766-.5	+4.5	766.5-7	+2.5
Settlem'nt	745.5	+3.5	—	......
Cathodes				
Cash	733-.5	+3.5	734.5-5.5	+1.75
3 months	754-.5	+4.5	755-.5	+2
Settlem'nt	733.5	+3.5	—	......
U.S. Smt.	685	......	*6-71.025	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £746, 45.5, 45; three months £767, 66.5, 66. Cathodes: Cash £734, 33.5; three months £754. Kerb: Wirebars: Three months £765.5. Afternoon: Wirebars: Three months £767, 67.5, 66.5, 67, 66.5. Cathodes: Three months £755, 55.5. Kerb: Wirebars: Three months £767.5, 68, 68.5, 69, 69.5, 69, 68, 67.5, 66.

TIN—Fell away after forward metal had started at £7,725. The East advanced sharply overnight to bring itself into line with London's previous close. Hedge selling pushed the London price down and after it passed through £7,700 it ran into bull liquidation and chartist selling. This led to a close on the Kerb of £7,670 and there was a further decline after-hours. Turnover, 1,048 tonnes.

Morning: Standard: Cash £7,910: three months £7,700, 10, 05, 7,700, 7,695, 90, 95, 90. Afternoon: Standard: Cash £7,890: three months £7,690, 80, 90, 75, 70. Kerb: Standard: Three months £7,670, 75, 70.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7900-10	+185	7870-80	+30
3 months	7700-10	+117	7670-90	-12.5
Settlem't	7910	+180	—	......
Standard				
Cash	7900-10	+185	7870-80	+30
3 months	7690-5	+115	7660-70	-15
Settlem't	7910	+180	—	......
Straits E.	†$2010	+34	—	......
New York	—	......	—	......

LEAD—Higher again. Forward metal opened at £402 on the pre-market and moved ahead strongly to touch £407 in the morning rings following fresh speculative buying prompted by rumours of renewed Russian buying of lead. Profit-taking clipped the price to £405 on the morning Kerb but values went ahead again in the afternoon with forward metal finally £407.5 on the late Kerb. Turnover, 6,350 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	
Cash	422-.5	+17.5	421.5-3	+8.75
3 months	405-.5	+15.5	406.5-.75	+10.3
Settl'ment	422.5	+17.5	—	......
U.S. Spot	—	......	*36-36	......

Morning: Cash £423, 22; three months £406, 07, 06.5, 06, 05.5, 06, 05, 06, 05.5. Kerb: Three months £405, 04.5, 05, 06. Afternoon: Three months £406, 07, 06.5, 07, 07.5, 07, 06.5, 06.75. Kerb: Cash £426; three months £407, 06.5, 07, 07.5, 06, 07.5, 07, 08.

ZINC—Barely changed. Forward metal rose from £369 to £373 on the pre-market following talk of Chinese purchases of zinc. However, in the rings profit-taking pared the price to £371.5. In the afternoon values edged higher in quiet trading with forward metal finally £373.5 on the late Kerb. Turnover, 4,275 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	359-60	+4.25	358.5-9	-.25
3 months	371-.5	+5	370.5-1	+.5
S'ment	360	+4.5	—	......
Prim. west	—	......	*35.5-4.5	......

Morning: Cash £360, 59.5; three months £373, 72, 71.5. Kerb: Three months £371. Afternoon: Cash £358.5; three months £371.5, 71, 70.5. Kerb: Three months £371, 72, 72.5, 73, 72, 72.5.

ALUMINIUM—Gained ground in fairly good two-way business fuelled by rumours of a forthcoming U.S. price increase. Forward metal started at £602 and advanced to £605 before closing on the Kerb at £604.5. Turnover, 2,025 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Spot	—	......	—	......
3 months	602-.5	+2.5	604.5-5	+3.5

Morning: Three months £602, 03.5. Kerb: Three months £602.5. Afternoon: Three months £602.5, 03, 03.5, 04. Kerb: Three months £605, 04.

* Cents per pound. † $M per picul. ‡ On previous unofficial close.

SILVER

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	293.3p	+2.8	293.5p	+2.2
3 months	300.7p	+2.7	301.05p	+2.3
6 months	308.9p	+2.85	—	......
12 months	325.9p	+2.35	—	......

LME—Turnover 179 (171) lots of 10,000 ozs. Morning: Three months 301.5, 01.4, 01.3, 01.2, 01.4, 01.2, 01, 300.9. Kerbs: Three months 300.8. Afternoon: Three months 301.2, 01.1, 01. Kerbs: Three months 301.1, 01, 300.7.

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 471 tonnes, bringing the total for the week so far to 1,373 tonnes, W. F. Tattersalls reported. Renewed attention centred on numerous types of American cotton. Users were anxious to supplement existing supplies of Middle Eastern and African qualities.

COCOA

The market remained firm, trading to a new high on May 1979 at 70.75 before profit-taking pared gains and the market closed just above the previous night's levels, Gill and Duffus reported.

COCOA	Yesterday's Close	+ or —	Business Done
Dec.	2003.0-005.0	-7.0	2050.0-1995.
March	2056.0-58.0	+5.5	2 58.0 20.0
May	2059.0-61.0	+6.0	2078.0-42.0
July	2056 0 58.0	+0.25	2072.-42.0
Sept.	2047.-48.0	+2.0	2062.-40.0
Dec.	2016.0-19.0	+5.75	2036.0-15.0
March	2005.0-10.0	+10.0	2020.0-1.5

Sales: 9,224 (2,550) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound)—Daily price October 24: 180.14 (179.55). Indicator prices October 25: 15-day average 170.77 (170.26); 22-day average 170.98 (170.60).

COFFEE

ROBUSTAS prices continued to improve quietly throughout the day as persistent short covering tended to encourage jobber buying. Some local profit-taking at the close pared the day's gains but values still finished £35 higher on the day on balance, Drexel Burnham Lambert reported.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
November	1538-39	+32.0	1540-05
January	1441-45	+35.5	1450-18
March	1344 45	+35.0	1350 23
May	1291-95	+29.0	1304 1275
July	1255 55	+28.0	1269 45
September	1220 30	+22.5	1225 20
November	1195-10	+35.0	—

Sales: 3,521 (3,588) lots of 5 tonnes.

ICO Indicator prices for Oct. 24 (U.S. cents per pound): Colombian Mild Arabicas 170.50 (same); unwashed Arabicas 154.00 (same); other mild Arabicas 150.00 (150.17). Robustas ICA 1976 150.00 (151.50); Robustas ICA 1968 151.00 (151.50). Daily average 150.00 (150.34).

GRAINS

LONDON FUTURES (GAFTA)—The market opened 25p lower. Wheat traded 15-20p lower initially, but good commercial support steadied the market to close unchanged to 10p higher on November. Barley saw good volume with good buying support on any dips to close 10p higher on the day, Acli reported.

	WHEAT		BARLEY	
Mnth	Yesterday's close	+ or —	Yesterday's close	+ or —
Nov.	87.85	+0.10	79.40	+0.10
Jan.	90.15	-0.05	82.30	+0.10
Mar.	92.50	......	84.50	+0.10
May	94.90	......	86.80	+0.10

Business done—Wheat: Nov. 87.95-87.55, Jan. 90.20-89.95, March 92.55-92.25, May 94.90-94.55. Total sales: 132. Barley: Nov 79.50-79.25, Jan. 82.30-81.95, March 84.60-84.25, May 86.65-86.55. Total sales 232.

HGCA—Location ex-farm spot prices: Feed wheat: Essex £85.00. Feed barley: Shropshire £75.80, Essex £78.60.

The UK monetary coefficient for the week beginning Oct. 30 is expected to increase to 1.297.

IMPORTED—Wheat: CWRS No. 1 13½ per cent Nov.-Dec. £93.25 quoted Tilbury. U.S. Dark Northern Spring No. 2 14 per cent, Oct. £84.75, Nov. £88.25, Dec. £87.25 transhipment East Coast. U.S. Hard Winter 13½ per cent Nov. £86.25, Dec. £87.25 transhipment East Coast sellers.

Maize: U.S./French spot Nov. £101.50, Dec £102 transhipment East Coast sellers. S. African White Nov.-Dec. £64.50 sellers. S. African Yellow Nov.-Dec. £64.50 sellers.

Barley: English Feed fob Jan.-March £85.50 East Coast sellers.

*

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shell cod £5.00-£6.40, codlings £3.80-£4.60; large haddock £4.50-£5.00, medium £4.00-£4.50, small £3.20-£3.90; large plaice £4.30-£5.00, medium £4.00-£4.80, best small £4.00-£4.60; skinned dogfish (large) £7.50, (medium) £6.00; lemon soles (large) £6.60, (medium) £6.00; rockfish £2.50-£3.20; reds £1.30-£1.80; saithe £2.00-£2.30.

RUBBER

STEADIER opening on the London physical market. Good interest throughout the day, closing quietly steady. Lewis and Peat reported a Malaysian godown price of 236 (235½) cents (buyer, November).

No. 1 R.S.S.	Previous Close	Yesterday's Close	Business Done
Nov.	63.40-63.50	62.25-62.50	63.70-62.60
Dec.	63.80-64.00	63 25 63 5	64.05-64.00
Jan-Mar	65.35-65.50	65.20-65.4	66.00-64.75
Apr-Jne	68.00-68.10	67 95-68 00	68.70-67.35
Jy-Sept	70.15-70.20	70.25 70.40	70.6-69.5
Oct-Dec	72 15-72.25	72.25 72.40	72.55-71.90
Jan-Mar	74.20 74.30	74.20-74 40	74.60
Apr-Jne	76 35-76 40	76.35-76.40	76.0
Jy-Sept.	74.40-78.45	78.45-78 60	78.75-78.00

Sales: 20 (6) lots of 5 tonnes, 737 (739) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 63p (61.75); Nov. 63.6p (62.25); Dec. 64.5p (63.5).

SOYABEAN MEAL

	Yesterday Close	+ or —	Business Done
	£ per tonne		
December	121.50-21.6	+2.40	119.50-18.00
February	122.7-25.0	+0.85	121.50-20.00
April	122.9-23.2	+1.65	—
June	122.0-25.0	+1.10	121.70-21.50
August	122.5-25.0	+0.65	—
October	122.00-24.5	+0.65	—
December	122.0-28 5	+2.0	—

Sales: 215 (60) lots of five tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar) £108.00 (same) a tonne cif for Oct., Nov. shipment. White sugar daily price was fixed at £113.00 (£114.50).

Prices were contained within a narrow range throughout the day, although for most of the time trading was very thin, C. Czarnikow reported.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Dec.	112.90-12.95	112.05-12.15	15.00-11.75
March	116.00-16.50	115.75-15.90	15.80-15.75
May	117.20 17.50	116.50-16.60	17.50-16.75
Aug.	119.65-19.75	117.75-17.90	19.65-17.75
Oct	122.25-22.50	120.50-20.70	22.25-20.25
Dec.	124.10-24.50	122.25-22.6	24.00
March	127.75-28.15	126.10-26.70	-28.00

Sales: 2,022 (1,969) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.55 (same) a tonne for home trade and £170.50 (same) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port, prices for Oct. 24: Daily 8.83 (8.93); 15-day average 8.93 (8.94).

WHITE SUGAR (buyer, seller, business, sales): Feb. 120.00-20.90, 20.25-20.00, 30; April 122.00-23.00, nil; July 126.00-27.25, nil; Sept. 129 50-31.25, nil; Nov. 134.00-35.50, nil; Feb. 139.50-41.00, 41.00-40.50, 11; April 143.50-46.00, nil. Total sales: 41.

WOOL FUTURES

DULL and featureless, reported Bache Halsey Stuart.

(Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
October	224.0-38.0	......	—
December	228.0-38.0	+4.0	—
March	238.0-38.0	......	—
May	238.0-40.0	......	—
July	234.0-45.0	......	—
October	234.0-40.0	......	—
December	235.0-43.0	......	—
March	238.0-47.0	......	—

Sales: nil (nil).

SYDNEY GREASY (in order, buyer, seller, business, sales)—Micron Contract: Dec. 346.5, 347.5, 347.0-347.0, 1; March 353.2, 354.0, 354.0-354.0, 9; May 358.0, 359.0, nil; July 364.0, 365.0, nil; Oct. 366.0, 368.0, nil; Dec. 369.0, 371.0, nil; March 372.0, 373.0, 373.0-373.0, 2. Total sales: 12.

NEW ZEALAND CROSSBREDS (buyer, seller)—Dec. 187.0-199.0; March 185.0-198.0; May 187.0-198.0; July 187.0-190.0; Oct. 190.0-193.0; Dec. 194.0-197.0; March 153.0-196.0. Total sales: nil.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 54.0 to 56.0. Eire hindquarters 59.0 to 62.0, forequarters 35.0 to 38.0.

Veal: English fats 60.0 to 68.0. Dutch hinds and ends 82.0 to 86.0.

Lamb: English small 52.0 to 59.0, medium 52.0 to 56.0, heavy 48.0 to 52.0. Scottish medium 52.0 to 56.0, heavy 48.0 to 52.0. Imported frozen: N.Z. PL 57.0 to 58.0. N.Z. YLs 51.0 to 53.0.

Pork: English, under 100 lbs 37.0 to 46.0, 100-120 lb 38.0 to 44.0, 120-160 lb 37.0 to 43.0.

Grouse: Young best (each) 180.0 to 220.0.

Partridges: Young (each) 200.0 to 240.0.

MEAT COMMISSION—Average fatstock prices at representative markets on October 25: GB—Cattle, 66.59p per kg lw (−0.21); UK—Sheep, 132.6p per kg est dcw (+3.5); GB—Pigs 66.2p per kg lw (+1.1). England and Wales—Cattle numbers down 6.8 per cent, average price 66.12p (−0.18); Sheep down 4.8 per cent, average price 133.6p (+3.0); Pigs down 6.9 per cent, average price 66.2p (+1.1). Scotland—Cattle down 31.1 per cent, average price 68.42p (+0.19); Sheep up 4.6 per cent, average price 121.4p (−2.0); Pigs up 44.4 per cent, average price 70.3p (+3.9).

COVENT GARDEN (Prices in sterling per package except where stated)—Imported Produce: Lemons—Italian: 120 150's new crop 5.50-6.50; S. African: 4.00-7.30; Cypriot: Crates 7.00-7.50; Turkish: 5.00; Greek: 7.50. Oranges—S. African: Valencia Late 4.30-5.60; Brazilian: Valencia Late 3.50; Argentine: 4.50-5.40; Uruguayan: 4.20-5.00. Satsumas—Spania: Trays 3.60-4.50. Grapefruit—Dominican: 3.80-5.00; Cypriot: 4.50; Israeli: Jaffa 4.20-4.85. Apples—French: New crop Golden Delicious 20 lb 72 2.00-2.20, 84 1.80-1.90; 40 lb 3.80-4.20, Stark Crimson 20 lb 84 1.70, 72 2.10. Granny Smith 1.80-2.40 Golden Delicious jumble pack 31 lb 2.00-2.10. Pears—Italian: Per pound Williams 0.16-0.18. Grapes—Italian: Black Regina 2.40, Almeria 2.50; Spanish: Almeria 3.00, Negri 2.90-3.00; French: Per pound Alphonse Lavallee 0.20. Bananas—Jamaican: Per pound 0.14. Avocados—Kenyan: Fuerte 12/20's 4.00; Israeli: 3.80-4.20. Capsicums—Dutch: Per 5 kg 3.50. Onions—Spanish: 2.80-3.30; Dutch 1.80-2.20. Melons—Spanish: Yellow 6/14 3.20-3.80, Green 3.00-3.60. Tomatoes—Jersey: 1.40-1.80; Spanish: 1.40-2.00. Cucumbers—Canary: 10/16's 2.50-3.20. Dates—Algerian: Per glove box 0.31-0.35. Pomegranates—Spanish: Per box 40/60's 3.00-3.50. Walnuts—French: Per pound Grenobles 0.40; Italian: Wet 0.40; Californian: 0.55; Chinese: 0.30. Brazils—LWM per pound 0.50. Tocantins 0.29-0.40. Chestnuts—Italian: Per pound 0.25-0.30; Spanish: 0.35-0.40.

English Produce: Potatoes—Per 25 kg 1.10-1.30. Lettuce—Per 12 round 0.60, Cos 1.00, Webbs 1.20. Cucumbers—Per tray 12/24's new crop 2.40-3.00. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley 0.05-0.09, Lord Derby 0.04-0.05, Cox's Orange Pippin 0.05-0.13, Worcester Pearmain 0.05-0.07, Russets 0.07-0.10. Pears—Per pound Conference 0.08-0.14, Comice 0.10-0.16. Plums—Per pound Marjorie's Seedling 0.20, Wyedale 0.15. Tomatoes—Per 12 lb English 1.20-1.50. Cabbages—Per crate 0.80-0.90. Celery—Per head 0.07-0.10. Cauliflowers—Per 12 Lincoln 1.20-1.40. Beetroot—Per 28 lb 0.60-0.70. Carrots—Per 28 lb 0.40-0.70. Capsicums—Per pound 0.25. Courgettes—Per pound 0.20-0.25. Onions—Per bag 1.70-1.80. Swedes—Per 25 lb 0.50-0.60. Turnips—Per 28 lb 0.90. Parsnips—Per 28 lb 0.90-1.00. Sprouts—Per pound 0.05. Cobnuts—Per pound Kent 0.45-0.45. Corn Cobs—Each 0.06-0.10.

INDIA'S BAUXITE RESERVES RISE

NEW DELHI, Oct. 25.

India has more than 1.63bn tonnes of bauxite deposits in the eastern coast of Andhra Pradesh and Orissa, according to an assessment by the geological survey of India completed last year and just released.

Earlier this decade, bauxite reserves in the country were estimated at between 200 to 250m tonnes. At that time known reserves were scattered in various parts of the country and the recent assessment, which began in 1975, was the first intensive survey, a Government spokesman said.

PRICE CHANGES

Price in tonnes unless otherwise stated

	Oct. 25 1978	+ or —	Month ago
Metals			
Aluminium	£710	......	£710
Free market (cif)	$1150-40	......	$1070-90
Copper cash W Bar	£745.75	+1.75	£741
3 months do. do.	£766.75	+2.5	£759.5
Cash Cathode	£735	+1.75	£729.5
3 months do. do.	£755.25	+2.0	£748.25
Gold Troy oz.	$230.375	+3.75	$216.575
Lead cash	£422.25	+8.75	£369.25
3 months	£406.875	+10.32	£374.625
Nickel		......	
Free Market (cif) lb	$1.75	......	$1.75
	1.90	......	1.88
Platinum troy oz.	£150	......	£150
Free Market	£175.15	+3.35	£142.6
Quicksilver (76lb.)	$120 25	......	$122/27
Silver troy oz.	293.3	+2.8	286.55p
3 months	300.7	+2.7	293.7p
Tin Cash	£7,875	+30.0	£6,970
3 months	£7,665	-15.0	£6,852.5
Tungsten (c)	$141.55	......	$141.06
Wolfram 22.04 cif.	$141.47	......	$141.46
Zinc cash	£358.75	-0.25	£354
3 months	£370.75	+0.5	£344
Producers	$675	......	$625
Oils			
Coconut (Phil)	$670r	-35.0	$760
Groundnut	......	......	......
Linseed Crude (v)	£356	......	£322
Palm Malayan	$630x	+15.0	$610
Seeds			
Copra Phillip.	$605r	+35.0	$525
Soyabean (U.S.)	$281n	+4.0	$267
Grains			
Barley			
Home Futures	£82.2	+0.1	£82.6
Maize			
French No. 3 Am	£101.5w	-2.0	£101.5
Wheat			
No. 1 Red Spring	£93.25	+0.75	£92
No. 2 Hard Winter	£87.75	+0.75	£83.25
English Milling †	£91.5n	......	£90.75
Cocoa shipment	£2,096	+6.0	£2,005
Future Mar.	£2,03.7	+5.5	£1,956
Coffee Future			
Jan.	£1,442	+35.5	£1,526.5
Cotton 'A' Index	78.15c	+0.4	74.65c
Rubber kilo	63	+1.25	60.75p
Sugar (Raw)	£108	......	£107
Wooltops 64s kilo	275p	......	275p

*Nominal. † New crop. ‡ Unquoted. m June-Aug. n July-Sept. p Sept. q Oct. Nov. r Nov.-Dec. u Nov. w Dec. z Per ton. • Indicator prices

INDICES

FINANCIAL TIMES

Oct. 25	Oct. 24	Month ago	Year ago
266.01	262.54	254.04	255.12

(Base: July 1, 1952=100)

REUTERS

Oct. 25	Oct. 24	Month ago	Year ago
1529.6	1520.7	1487.6	1495.5

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Oct. 25	Oct. 24	Month ago	Year ago
Spot	395.47	391.10	376.27	357.76
Futures	392.58	386.80	374.80	327.86

(Average 1924-25-26=100)

MOODY'S

Moody's	Oct. 26	Oct. 24	Month ago	Year ago
Spe Commodity	977.1	972.1	966.9	846.2

(December 31, 1931=100)

EEC TO AID THAI SOYA RESEARCH

BANKOK, Oct. 25.

THE EEC has sent experts to help the Thai Government set up a soyabean research centre in attempts to increase production.

Reuter

U.S. Markets

Sharp lift by precious metals

NEW YORK, Oct. 25.

PRECIOUS METALS closed sharply higher, with silver recording new life of contract highs on a limit advance on aggressive speculative buying and short covering on disappointment following the Administration's inflation programme. Copper and sugar also closed sharply higher on trade arbitrage buying and speculative short covering, while cocoa benefited from light trade arbitrage buying, Bache reports.

Cocoa—Dec. 179.00 (176.60), March 178.50 (176.00), May 177.75, July 176.50, Sept. 175.00, Dec. 171.25. Sales: 842.

Coffee—"C" Contract: Dec. 150.75-151.00 (148.00), March 141.75-141.85 (135.61), May 137.25-137.75, July 134.00-134.28, Sept. 131.75-132.25, Dec. 128.50-129.75, March 120.00-130.00. Sales: 805.

Copper—Oct. 69.10 (67.10), Nov. 69.20 (67.25), Dec. 69.80, Jan. 70.30, March 71.50, May 72.50, July 73.75, Sept. 74.60, Dec. 75.65, Jan. 76.05, March 76.85, May 77.65, July 78.45. Sales: 13,000 lots.

Cotton—No. 2: Dec. 69.44-69.45 (68.74), March 72.05-72.09 (71.12), May 73.37, July 73.37, Oct. 65.90-65.95, Dec. 67.49-67.20, March 68.50 bid. Sales: 6,550 bales.

*Gold—Oct. 232.70 (227.90), Nov. 234.10 (228.30), Dec. 235.50, Feb. 239.40, April 243.40, June 247.40, Aug. 251.40, Oct. 255.40, Dec. 259.50, Feb. 263.70, April 267.90, June 272.20, Aug. 276.50. Sales: 24,000 lots.

†Lard—Chicago loose unavailable. NY prime steam 26.25 traded (26.00 traded).

‡‡Maize—Dec. 232-232½ (230), March 242-242½ (239½), May 245¾-245½, July 252½, Sept. 252½, Dec 255½-254.

§Platinum—Jan. 353.00 (349.00), April 353.60 bid (343.60), July 356.30 bid, Oct. 359.10 bid, Jan. 361.90 bid, April 364.60 bid. Sales: 1,354.

‖Silver—Oct. 604.30 (584.30), Nov. 606.00 (586.00), Dec. 610.00, Jan. 614.20, March 622.40, May 630.70, July 639.30, Sept. 648.10, Dec. 662.00, Jan. 666.60, March 676.10, May 685.70, July 695.40. Sales: 20,000 lots. Handy and Harman spot bullion: 592.00 (591.50).

Soyabeans—Nov. 699-698 (685½), Jan. 708-709 (693½), March 717-716, May 719½-720, July 721½-722, Aug. 711, Sept. 691, Nov. 690.

Soyabean Oil—Dec. 26.60-26.50 (26.12), Jan. 26.20-26.15 (25.83), March 25.90-25.85, May 25.45-25.50, July 25.10-25.15, Aug. 24.55, Sept. 24.45, Oct. 24.00-24.05.

‖Soyabean Meal—Dec. 186.80-188.50 (184.80), Jan. 190.00 (186.00), March 192.20-191.80, May 192.00-191.90, July 192.00, Aug. 191.00-192.00, Sept. 189.50-190.00, Oct. 186.00-187.00.

Sugar—No. 11. Jan. 9.30 (9.30), March 9.49-9.52 (9.50), May 9.66-9.68, July 9.77-9.80, Sept. 9.86-9.89, Oct. 9.93-9.99, Jan. 10.00 bid, March 10.64 nom. Sales: 5,050.

Tin—735.00-745.00 nom. (725.00-730.00 nom.).

**Wheat—Dec. 352-353 (340½), March 348½-350 (337½), May 343, July 324, Sept. 326½, Dec. 334½ nom.

WINNIPEG, Oct. 24. ††Rye—Oct. 102.30 bid (99.00 nom.), Nov. 104.00 bid (103.00 nom.), Dec. 105.00 bid, May 110.00, July 109.50.

††Oats—Oct. 86.80 bid (84.50), Dec. 84.00 bid (82.80 bid), March 81.70 bid, May 81.20 bid, July 81.00 bid.

‡‡Barley—Oct. 75.90 (74.60), Dec. 76.60 (75.60), March 77.50, May 78.10 asked, July 78.20 asked.

§§Flaxseed—Oct. 280.00 bid (275.90 bid), Nov. 280.50 bid (275.00 bid), Dec. 277.00 asked, May 277.00 asked, July 276.00 bid.

¶¶Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 181.81 (179.81).

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. § $s per troy ounce for 50 oz units of 99.9 per cent purity delivered NY. ‖ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $s a short ton for bulk lots of 100 short tons delivered fob cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60 lb bushel in store. †† Cents per 34 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ¶¶ $C per tonne.

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STOCK EXCHANGE REPORT

Equity leaders react sensitively to small selling

30-share index loses 6.8 to 489.7 but Gilts hold firm

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct. 16	Oct. 26	Oct. 27	Nov. 7
Oct 30	Nov. 9	Nov. 10	Nov. 21
Nov. 13	Nov. 23	Nov. 24	Dec. 5

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Disappointed by the lack of developments on the pay front both at Government level and in the various company disputes, Account speculators in leading equities became restless yesterday. Slight easiness at the start of business was soon turned into a rout as dealers, who had marked prices a little lower in an effort to promote trade, met sellers—an unexpected reaction to their maoeuvre.

Although the selling from short-term operators was exhausted well before noon it left the market basically uncertain, and for the remainder of the session the absence of incentive ensured a slight furthering of the downturn. The FT Industrial Ordinary share index reflected this tendency, closing at the day's lowest with a fall of 6.8 at 489.7. Secondary stocks were not affected to the same degree and usually settled one or two pence easier.

Institutional investors remained aloof again, being prepared to defer their commitments until such time as a clearer understanding emerges on the question of pay. This was especially apparent in the Gilt-edged sector where, despite slightly stronger fears of a rise soon in interest rates, the undertone was sound; sterling's strength in foreign exchange markets yesterday was a supporting influence.

Longer-dated issues were not traded in any size but, after seeming a little hesitant around mid-day, reverted to overnight list levels. The shorts moved narrowly in a thin business but often ended a fraction harder on balance.

Corporations were again idle but buying inquiries in a restricted market raised **Provincial Laundries** 12 per cent convertible 1986-88 a further 5½ points to £38 premium. Elsewhere in Fixed Interests, **Crosby House** 10 per cent convertible 1987-90 made its debut and fluctuated between £7 and £4½ premium before closing at the latter price, while **Hong Kong Land** 8 per cent loan 1984-1993 (with warrants) settled at £2¾ premium; both stocks were issued to ordinary shareholders by way of rights.

Institutional and other selling of investment currency was initially well absorbed but its continuation found buyers reticent and the premium closed a net 4¼ points down at 75 per cent. Much of the selling was released by activities in U.S. securities, while sterling's firmness was also a contributory influence on sentiment. Yesterday's SE conversion factor was 0.7266 (0.7211).

Interest in the Traded Options market was again fairly brisk and the number of contracts amounted to 665. GEC and ICI were among the most actively dealt stocks with 156 and 147 deals respectively.

For the third day in succession, interest in the Banking sector was again almost exclusively devoted to the Irish issues which gave up some of the recent good gains caused by speculation on whether the country will participate in the proposed European Monetary System: the shares concerned encountered a reasonable trade and closed above the worst. **Allied Irish** ended 4 cheaper at 229p, after 224p, and **Bank of Ireland** 13 easier at 437p, after 435p. The major clearing banks hovered around overnight levels and closed with little alteration.

Breweries drifted gently lower. **Allied**, a firm market of late, reacted 3 to 84p. Distillery issues also gave ground following the recent advance, **A. Bell** easing 2 to 250p and **Distillers** 4 to 195p.

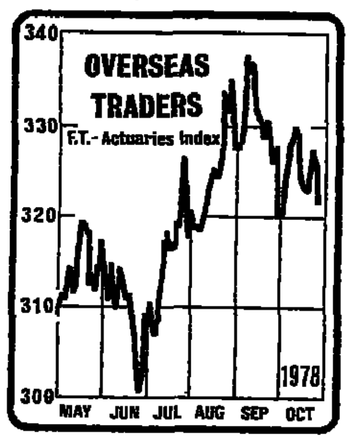
Building descriptions encountered an early spate of selling and usually closed at the day's lowest. A reappraisal of the recently announced capital reorganisation proposals left **Richard Costain** 8 down at 242p. **Taylor Woodrow** shed a like amount at 403p, while **John Laing** A eased 3 to 202p in front of Friday's group reconstruction and interim reports. **Blue Circle** cheapened 4 to 270p and, ahead of today's mid-term statement, **London Brick** eased ½ to 72½p. **Cement Roadstone**, in line with other Irish issues, met profit-taking and, at 102p, relinquished 4 of the previous day's rise of 6. **James Latham** were dull at 110p, down 8. In contrast, **Hoveringham** issues improved in response to the satisfactory interim profits and the Board's confident remarks, the ordinary firming 4 to 92p and the restricted voting a penny to 86p, after 90p. **Brown and Jackson** added another 6 to 280p on further demand in a thin market. **William Mowat** advanced 7 to 53p following the Board's approval of the offer from Jenth.

ICL in a limited business, gave up 7 at 385p on the appearance of stock. Elsewhere, the pre-tax loss and interim dividend omission left **Burrell** 2 down at a low for the year of 10½p.

Stores quiet

Leading Stores drifted lower on small selling and lack of support, but falls were usually confined to a few pence. **Mothercare**, a dull market since Monday's interim results, gave up 4 more at 156p, for a fall of 12 since the announcement. **BHS** lost a like amount at 202p and **Allied Retailers** 3 at 102p, while **UDS** eased 2 to 94p. Profit-taking clipped 4 from recently firm **Lee Cooper**, 178p. Of the one or two firm spots to emerge, **A. G. Stanley** stood out with a rise of 6 at 174p on news of the expansion involving the acquisition of 97 retail outlets from Berger, Jenson and Nicholson. **Amber Day** found support at 53p, up 2, as did **Selincourt**, 1¼ better at 28¾p, the latter on Press comment. In Shoes **Booth (International)** firmed 2 to 58p despite Tuesday's announcement of sharply lower interim profits.

Pethow featured a dull Electrical section, dropping 24 to 98p on the announcement that redundancies are planned due to a contraction of certain major export markets. **Dale Electric**, which has recently received orders for over £2m worth of generating sets, dropped 13 to 163p in sympathy. **Racal Electronics** came on offer at 326p, down 6, while losses of 8 were seen in **Thorn Electrical**, 362p, and **Farnell Electronics**, 385p. Other notable casualties included **EMI**, 151p, **GEC**, 316p, and **BSR**, 86p, all 4 cheaper.



Occasional selling on an unwilling market left **John Brown** 10 lower at 438p among the Engineering leaders. **Hawker Siddeley** were also dull at 240p, down 6, along with **Tubes**, which eased 4 to 374p, but **GKN** and **Vickers** held steady to firm at 269p and 188p respectively. Still reflecting the chairman's cautious statement on the outlook for the current year, **ML Holdings** fell 15 more to 185p in a restricted market, while the warning on second-half profits which accompanied the interim results prompted a reaction of 6 to 112p in **Hopkinsons Holdings**. **Mining Supplies**, a recent speculative favourite, came back 4 to 113p, but favourable Press mention left **Babcock and Wilcox** a few pence dearer at 163p. **Jones Group** were supported at 69p, up 5, while scattered demand pushed **James Neill** 3 higher at 90p.

Foods had an easier bias. **Spillers** were finally ½ lower at 34½p, after 35½p, following interim figures near the top of the range of market expectations. **Cadbury Schweppes** closed a penny off at 57p, after 56½p, following a reasonable turnover, while **Robertson** slipped 4 to 130p and **J. Sainsbury** 6 to 217p. **United Biscuits** finished 2 easier at 78p following news of the purchase of the outstanding shares in Associated Restaurants from Associated Newspapers. **Cullen's Stores**, a recent speculative favourite, reacted 4 to 140p on light profit-taking.

Ladbroke featured in Hotels and Caterers with a fall of 7 to 183p, while **Grand Metropolitan** eased 2½ to 108½p and **Trust Houses Forte** 4 to 237p. **Savoy A**, at 74p, gave up a penny on further consideration of the interim report.

Metal Box on offer

Fears of increased competition following recent news that Continental Can of the U.S. intends to start manufacturing in the UK unsettled **Metal Box** which fell away to close 10 lower at 334p. Elsewhere among the miscellaneous Industrial leaders, **Reed International** were noteworthy for a fall of 8 to 170p awaiting next Tuesday's interim results. **Beecham** gave up 7 to 673p and **Pilkington** 6 to 308p while **Bowater** cheapened 5 to 185p. By way of contrast, **Randalls Group** advanced 13½ to 111½p in response to the bid from **Whitecroft**, unaltered at 107p. Still reflecting the good interim results, **PMA Holdings** rose 7 more to 66p, while satisfactory half-yearly statements also helped **Lindsay and Williams**, 2 higher at 68p, and **Unitex**, a similar amount up at 70p. On the other hand, **ICL**, a recent high-flier, gave up 11 to 452p. **De La Rue** remained on offer and reacted 15 more to 433p; the half-yearly results are due to be announced on November 7. **Powell Duffryn** lost 5 to 188p and falls of 4 were marked against **BTR**, 350p, **Booker McConnell**, 288p, and **Sangers**, 80p. The forecast of significantly lower annual profits which accompanied the interim results prompted dullness in **Peerage**, down 1½ at 60p, while the announcement of a £25m 10-year trading agreement with China National Light Industries Products of Shanghai failed to benefit **Dunbee-Combex**, 4 lower at 104p.

In Paper/Printings, good mid-term returns and the Board's confident statement helped **More O'Ferrall** improve 2 to 91p. A firm market on Tuesday on hopes that Ireland will join the European Monetary System, **Jefferson Smurfitt** eased 5 to 205p.

Leading Properties ended a shade lower after a quiet trade. Firm of late on the annual results, **Fairview Estates** encountered profit-taking and eased 2 at 138p and, ahead of today's interim report, **Berkeley Hambro** relinquished a like amount at 134p. **Warnford Investments** found support and added 9 to a high for the year of 362p, as did **Dares Estates**, 1½ up at 21½p. **Hong Kong Land** were quoted ex rights to the 8 per cent loan stock at 176p.

Oils drift lower

The downward drift in the Oil sector continued. **British Petroleum** gave up 6 more to 882p, but **Shell** closed without alteration at 570p, after 567p. Dollar premium influences left **Royal Dutch** ¾ lower at £42½. Among secondary issues, **Siebens (UK)**, a particularly speculative and volatile market, dipped 20 to 300p.

Overseas Traders had an outstanding dull feature in **Gill and Duffus** which reflected disappointment with the profits forecast with a fall of 15 to 148p. **Tozer Kemsley**, at 55p, gave up half of Tuesday's rise of 4 which followed the interim figures. Still reflecting the better-than-expected preliminary figures, **Paterson Zochonis A** rose 5 for a two-day gain of 20 to 190p.

Investment Trusts had a busier session than of late and closed with widespread losses. **Dualvest Capital** were notably weak at 209p, down 8, while **Second Alliance**, 188½p, and **City and Commercial Capital**, 108p, lost 4 and 5 respectively. **Montague Boston Warrants** eased 3 to 27p as did **Law Debenture**, to 99p.

Still reflecting the first-half profits setback and the forecast of a reduced dividend, **Walter Runciman** fell 5 more to a 1978 low of 61p. Elsewhere in Shippings, **Common Bros.** held at 154p following the announcement that the deal whereby Mr. G. A. Common had planned to acquire the Menteith shareholding had fallen through.

Dawson International moved up to 200p in response to the dividend forecast before reacting to close without alteration at 195p; bidders **Wm. Baird** gave up 3 to 179p valuing the offer at just over 199p per share. **J. Haggas** rose 4 to 163p. Elsewhere in the Textile sector, **Sirdar** found support and put on 4 to a peak for the year of 89p.

Golds disappoint

Gold shares again failed to respond to the strength of the bullion price which closed $3.75 higher at a record $230.375 per ounce following disappointment with President Carter's anti-inflation package.

Share prices opened fractionally better and thereafter remained more or less unaltered until the late trade when small American selling left them barely changed on the day, as mirrored by the 0.1 increase in the Gold Mines index to 149.2.

Also influencing the easier tone in the after-hours trade was a further weakening in the investment currency premium.

Movements in the heavyweights were restricted to ¼ either way with gains usually predominating, but cheaper-priced issues showed **Southvaal** 10 lower at 480p, **ERGO** 4 cheaper at 320p and "**Sallies**" 3 off at 59p.

South African Financials were hard hit by the late fall in the investment premium. **De Beers** continued their recent slide and dropped 13 more to 364p—a three-day decline of 34—while **Anglo American Corporation** gave up another 5 to 325p for a fall of 25 over the same period.

London-registered Financials lost further ground reflecting lack of interest and the weakness of UK equities. **Rio Tinto-Zinc** fell away for the third consecutive day and gave up 6 more to 246p.

On the other hand, Platinums attracted good London and overseas support following the renewed strength of the free market platinum price. **Rustenburg** added 5 at 109p, **Bishopsgate** 4 at 108p and **Lydenburg** 2 at 76p.

Australians eased in line with the premium.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
GEC	25p	10	316	−4	340	233
Shell Transport	25p	10	570		602	484
ICI	£1	9	385	−7	421	328
Royal Insurance	25p	9	345	−3	425	343
Beecham	25p	8	673	−7	743	583
Distillers	50p	8	195	−4	215	163
Grand Metpoltn.	50p	8	108½	−2½	121	87
Plessey	50p	8	115	−3	125	87
Allied Breweries	25p	7	84	−3	94	78
BAT Inds.	25p	7	286	−2	346	267
Barclays Bank	£1	7	340		368	296
BP	£1	7	882	−6	928	720
Dawson Intl.	25p	7	195		210	99
Imperial Group	25p	7	83	−½	89	71½
Marks & Spencer	25p	7	84	−1	94	67½

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	7	10	59
Corpns. Dom. and Foreign Bonds	—	3	59
Industrials	132	510	881
Financial and Prop.	26	221	266
Oils	2	13	21
Plantations	—	12	19
Mines	30	59	51
Recent Issues	4	8	26
Totals	207	836	1,382

OPTIONS

Stocks favoured for the call were **Howard Shuttering**, **Lennard Oil**, **Grand Metropolitan**, **UDT**, **Wheway Watson**, **Mincorp**, **English Property**, **Electronic Machine**, **British Land**, **Town and City Properties**, **Amber Day**, **Charterhall Finance**, **Westward Television**, **Burton Warrants**, **Premier Consolidated Oil** and **Consolidated Gold Fields**. Puts were dealt in **Mincorp**, **Cartiers**, **Farnell Electronics** and **NatWest Warrants**, while doubles were arranged in **Burton Warrants** and **Mersey Docks**.

FINANCIAL TIMES STOCK INDICES

	Oct. 25	Oct. 24	Oct. 23	Oct. 20	Oct. 19	Oct. 18	A year ago
Government Secs.	69.58	69.63	69.56	69.69	69.21	69.25	77.43
Fixed Interest	71.10	71.34	71.26	71.26	70.93	70.95	79.09
Industrial	489.7	496.5	495.6	500.2	495.6	494.6	513.0
Gold Mines	149.2	149.1	153.1	160.1	157.8	151.2	144.5
Gold Mines (Ex-$ pm.)	108.4	107.5	109.9	115.5	114.6	111.0	108.6
Ord. Div. Yield	5.51	5.45	5.46	5.40	5.45	5.45	5.83
Earnings, Yld% (full) (*)	15.34	15.16	15.19	15.04	15.15	15.13	15.85
P/E Ratio (net) (*†)	8.62	8.73	8.72	8.80	8.74	8.74	9.15
Dealings marked	4,400	4,471	4,396	4,850	4,225	4,219	5,320
Equity turnover £m	—	49.37	58.08	72.25	66.53	76.43	69.27
Equity bargains total	—	11,066	14,425	14,178	13,431	14,237	14,267

10 am 495.5. 11 am 492.8. Noon 490.3. 1 pm 490.1. 2 pm 490.4. 3 pm 490.6. Latest Index 01-246 8026.

* Based on 52 per cent corporation tax. † Nil=8.48.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ pm. index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (5/1)	68.79 (6/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (3/1)	70.73 (6/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8)	130.3 (5/1)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm.)	132.3 (14/8)	90.5 (16/4)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	Oct. 25	Oct. 24
—Daily		
Gilt-Edged	142.8	155.7
Industrials	157.9	151.7
Speculative	31.4	38.1
Totals	100.2	101.8
5-day Average		
Gilt-Edged	154.9	166.5
Industrials	147.7	144.3
Speculative	41.9	44.3
Totals	99.0	98.2

LONDON TRADED OPTIONS

Option	Ex'rcise price	October Closing offer	October Vol.	January Closing offer	January Vol.	April Closing offer	April Vol.	Equity close
BP	750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	882p
BP	800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
BP	850	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
BP	900	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Com Union	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons Gold	160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons Gold	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Cons Gold	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Courtaulds	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	260	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GEC	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grand Met.	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Grand Met.	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ICI	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Land Secs.	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs.	200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Marks & Sp.	70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Shell	550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell	600	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Totals			[illegible]		[illegible]		[illegible]	

Option	Ex'rcise price	November Closing offer	November Vol.	February Closing offer	February Vol.	Equity close
BOC Intl.	70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BOC Intl.	80	[illegible]	[illegible]	[illegible]	[illegible]	
Boots	220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EMI	160	[illegible]	[illegible]	[illegible]	[illegible]	
EMI	180	[illegible]	[illegible]	[illegible]	[illegible]	
RTZ	240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Totals			[illegible]		[illegible]	

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesetrday attained new Highs and Lows for 1978.

NEW HIGHS (38)

BANKS (1)
Brown Shipley

BUILDINGS (3)
Hoveringham Group, Do. Res. Vtg., Brown & Jackson

STORES (3)
Amber Day, Pawson (W. L.), Stanley (A. G.)

ELECTRICALS (1)
Bowthorpe

ENGINEERING (3)
Babcock & Wilcox, Mole (M.), Wombwell Foundry

FOODS (2)
Cartiers, Pyke (W. J.)

HOTELS (1)
Prince of Wales

INDUSTRIALS (9)
Assoc. Sprayers, Bentima, Bodycote Intl., Clarke (C.), P.M.A., Prestige Group, Randalls, Uniflex, United Guarantee

MOTORS (1)
Plaxtons

PROPERTY (3)
Dares Estates, Warnford Invs., Westminster Country

TEXTILES (5)
Cawdaw, Haggas (J.), Levex, Reliance Knitwear, Sirdar

OILS (1)
Century

OVERSEAS TRADERS (1)
Boustead

MINES (4)
Mincorp, Geevor Tin, Gopeng Cons., Hong Kong Tin

NEW LOWS (22)

AMERICANS (6)
Chrysler, Colgate Palmolive, General Electric, Singer, Texaco, U.S. Steel

BANKS (1)
Hill Samuel Wts.

CHEMICALS (2)
Alginate Inds., Burrell

ENGINEERING (1)
Sykes (H.)

INDUSTRIALS (4)
Baxter Travenol, Continental Group, Hill (Charles), Trafalgar House

INSURANCE (1)
Eagle Star

LEISURE (1)
Black & Edgington

MOTORS (1)
Dunlop

SHIPPING (1)
Runciman (W.)

TEXTILES (1)
Courtaulds 7pc Deb. 1982-87

TRUSTS (1)
M.G. 2nd Dual Inc.

OILS (2)
Clyde Pet., Sceptre Res.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P/E Ratio
775	F.P.	[illegible]	[illegible]	[illegible]	British Alum'ium New	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
101	F.P.	[illegible]	[illegible]	[illegible]	Farnell New	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
101	Nil	[illegible]	[illegible]	[illegible]	Do. Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Mercer Nat Grp. Motrs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Rightwise	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Anglesey Variable 1983	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Audiotronic 12% Conv. Prf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bristol Waterworks 7% Prf. 1983	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Crosby House 10% Conv. '87-90	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Halma 11% Cum. Prf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hill & Smith 14% 1st Deb. 2000-05	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hongkong Land 8% Loan	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Howard & Wyndham 12% Cns. Ln. 85-91	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Kensington & Chelsea Var. Rate 1983	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Prov. Laundries 12% Cnv. 86/88	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rickmansworth & Uxbridge Water 7% Pf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rightwise 10% Conv. Uns. 1985	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Southwark Corp. 12¾% Red. 1987	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Victor Prods. 11% Cum. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	West Kent Water 7% Prf. 1983	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Armour Bros.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Asbury & Madeley	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	B.T.R.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Barlow Rand	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Blackwood Hodge	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	British Printing	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Chloride	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Chubb	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dalgety	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dufay Bit'mastic 10% Unv. Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Howden Group	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Initial Services	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pawson (W. L.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Roland Knitwear	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ricardo Eng.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Time Products	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Westwell	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yorkgreen	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS — Wed., Oct. 25, 1978

Figures in parentheses show number of stocks per section

No.	Group	Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues. Oct. 24 Index No.	Mon. Oct. 23	Fri. Oct. 20	Thurs. Oct. 19	Year ago (approx.)
1	CAPITAL GOODS (171)	239.84	−1.0	16.18	5.22	8.49	242.55	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	208.56	−1.2	16.96	5.43	8.12	211.08	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	374.37	−1.2	18.52	4.23	7.85	378.86	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (14)	546.66	−1.6	13.28	3.39	10.41	555.08	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (14)	378.63	−0.4	17.53	5.76	7.75	380.03	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (72)	190.82	−0.7	17.52	5.76	7.65	192.24	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (16)	168.82	−0.1	15.82	8.44	8.76	168.96	[illegible]	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS										
11	(DURABLE) (53)	212.29	−1.2	16.20	5.00	8.62	214.79	[illegible]	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (16)	258.45	−1.7	14.24	3.95	9.85	262.89	[illegible]	[illegible]	[illegible]	[illegible]
13	Household Goods (12)	185.93	+0.1	16.02	6.09	8.60	185.79	[illegible]	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (25)	128.18	−0.6	19.45	6.46	7.16	128.93	[illegible]	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS										
21	(NON-DURABLE) (172)	210.94	−1.2	15.77	5.90	8.53	213.42	[illegible]	[illegible]	[illegible]	[illegible]
22	Breweries (14)	230.49	−1.6	14.51	6.17	9.48	234.24	[illegible]	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	277.34	−1.8	13.55	5.19	9.72	282.36	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	264.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	206.19	−0.7	18.77	5.29	7.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	225.83	−1.1	13.95	[illegible]	10.42	228.36	[illegible]	[illegible]	[illegible]	[illegible]
27	Newspapers, Publishing (12)	394.80	−0.6	19.36	6.13	7.25	397.01	[illegible]	[illegible]	[illegible]	[illegible]
28	Packaging and Paper (15)	141.14	[illegible]	18.25	7.59	7.22	141.71	[illegible]	[illegible]	[illegible]	[illegible]
29	Stores (40)	197.53	−1.0	11.60	4.76	12.45	199.51	[illegible]	[illegible]	[illegible]	[illegible]
30	Textiles (25)	181.01	−1.3	18.40	8.03	7.05	183.51	[illegible]	[illegible]	[illegible]	[illegible]
31	Tobaccos (3)	235.29	−0.3	[illegible]	7.97	5.06	235.90	[illegible]	[illegible]	[illegible]	[illegible]
32	Toys and Games (6)	106.31	−1.1	21.32	6.04	5.48	107.51	[illegible]	[illegible]	[illegible]	[illegible]
33	OTHER GROUPS (99)	205.08	−1.1	15.28	5.55	8.44	207.44	[illegible]	[illegible]	[illegible]	[illegible]
35	Chemicals (19)	290.83	−1.4	15.76	6.50	8.25	295.09	[illegible]	[illegible]	[illegible]	[illegible]
36	Pharmaceutical Products (7)	262.45	−0.9	10.85	3.95	11.30	264.78	[illegible]	[illegible]	[illegible]	[illegible]
37	Office Equipment (6)	133.25	−1.8	16.25	5.70	6.94	135.68	[illegible]	[illegible]	[illegible]	[illegible]
38	Shipping (10)	421.57	−0.7	14.74	7.17	8.66	424.54	[illegible]	[illegible]	[illegible]	[illegible]
39	Miscellaneous (57)	220.00	−0.9	17.08	6.36	7.79	222.04	[illegible]	[illegible]	[illegible]	[illegible]
40	INDUSTRIAL GROUP (495)	223.76	−1.1	15.79	5.66	8.50	226.27	[illegible]	[illegible]	[illegible]	[illegible]
41	Oils (5)	501.79	−0.4	13.93	4.01	7.80	503.60	[illegible]	[illegible]	[illegible]	[illegible]
49	500 SHARE INDEX	247.04	−1.0	15.51	5.42	8.39	249.53	[illegible]	[illegible]	[illegible]	[illegible]
51	FINANCIAL GROUP (100)	164.06	−0.5	—	5.62	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
52	Banks (6)	187.33	+0.1	24.92	6.26	6.02	187.10	[illegible]	[illegible]	[illegible]	[illegible]
53	Discount Houses (10)	210.36	+0.1	—	7.69	—	210.13	[illegible]	[illegible]	[illegible]	[illegible]
54	Hire Purchase (5)	150.07	−1.6	16.23	5.49	8.13	152.45	[illegible]	[illegible]	[illegible]	[illegible]
55	Insurance (Life) (10)	129.97	−1.3	—	7.21	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
56	Insurance (Composite) (7)	120.11	−0.7	—	7.30	—	120.91	[illegible]	[illegible]	[illegible]	[illegible]
57	Insurance Brokers (10)	329.64	−0.5	14.39	5.02	9.94	331.36	[illegible]	[illegible]	[illegible]	[illegible]
58	Merchant Banks (14)	81.47	[illegible]	—	5.97	—	81.43	[illegible]	[illegible]	[illegible]	[illegible]
59	Property (31)	258.16	−0.6	3.34	2.84	51.48	259.62	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (7)	108.71	−0.6	23.13	7.71	5.29	109.33	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (50)	215.94	−1.0	—	5.24	—	218.16	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	107.58	−1.1	16.97	6.62	7.18	108.74	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (19)	312.58	−1.3	15.43	7.17	8.13	316.73	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (673)	225.43	−0.9	—	5.54	—	227.56	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed. Oct. 25	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	103.67	+0.03	—	7.89
2	5-15 years	114.47	−0.06	—	7.61
3	Over 15 years	118.09	—	—	12.26
4	Irredeemables	123.46	+0.00	4.30	13.02
5	All stocks	111.28	+0.00	0.06	9.55

FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.

			Wed. Oct. 25	Tues. Oct. 24	Year ago (approx.)
1	Low Coupons	5 years	9.19	9.18	[illegible]
2		15 years	11.08	11.06	[illegible]
3		25 years	11.91	11.90	[illegible]
4	Medium Coupons	5 years	12.21	12.20	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	12.28	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	13.01	[illegible]	[illegible]
10	Irredeemables		11.73	11.72	[illegible]

		Wed., Oct. 25 Index No.	Yield %	Tues. Oct. 24	Mon. Oct. 23	Friday Oct. 20	Thurs. Oct. 19	Wed. Oct. 18	Tues. Oct. 17	Mon. Oct. 16	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	56.68	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	13.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	72.09	12.97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

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35 Boulevard Royal, Luxembourg G.D.
Wldinvest Income | $US116.36 | 116.96 | | 7.27
Prices at Oct. 12. Next sub. date Oct. 18

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1978 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly	23½	.....	—	—
41	33	Do 5pc Pref.	41	.....	—	—
98	98	Chilean Mixed	98	.....	—	£3.09
415	350	German Yng. 4½pc.	411	.....	4½	—
54	46	Greek 7pc Ass.	50	.....	3½	£7.25
51	46	Do 6pc 28 Stab Ass	49	.....	6	£6.22
44	40	Do 4pc Mixed Ass.	40	.....	4	£5.08

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

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Conversion factor 0.7286 (0.7211)

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BANKS AND HIRE PURCHASE

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Yld Gr's	P/E
260	185	Guinness Peat	230					
217	155	Hambros	188	.....	9.76	—	7.7	—
100	81	Hill Samuel	89	.....	4.97	—	8.4	—
600	225	Do Warrants	225	−25	—	—	—	—
360	203	Hong Shng $2.50	296	−3	hQ59c	—	2.3	—
69	52	Jessel Toynbee	62	+1	†h3.32	—	8.1	—
215	160	Joseph (Leo) £1	180	.....	8.74	—	7.2	—
55	37	Keyser Ullmann	53	.....	0.67	—	1.9	—
74	56	King & Shax 20p	61	.....	3.44	—	8.4	—
114	90	Kleinwort B.L.	96	.....	†4.18	—	6.5	—
297	242	Lloyds £1	260	.....	†9.23	4.8	5.3	5.9

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1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's
15	10	Acmex 25c	10			—	—
140	64	Bougainville 50 Toea	126	−1	†Q8c	1.4	4.0
131	63	BH South 50c	118	−2	—	—	—
520	150	Central Pacific	450		—	—	—
336	148	Conzinc Riotinto 50c	264	−10	‡Q10c	2.2	‡
27	9½	Endeavour 20c	20½	−½	—	—	—
72	45	G.M. Kalgoorlie $1	72	+2	—	—	—
68	18	Haoma Gold N.L.	38	−2	—	—	—
140	61	Hampton Areas 5p	124		t3.55	2.0	4.3
40	10	Metals Ex. 50c	29	−½	—	—	—
223	125	M.I.M. Hldgs. 50c	190xd	−2	Q9c	1.7	2.9
40	10	Mount Lyell 25c	36	−3	—	—	—
7	1½	Newmetal 10c	6	−½	—	—	—
143	79	North B. Hill 50c	110	−1	Q8c	1.3	4.6
16½	8½	Nth. Kalgurli	14	−½	—	—	—
50	12	Nth. West Mining	26	−2	—	—	—
178	117	Oakbridge $A1	132		Q12c	1.9	10.0
42	10	††Otter N.L.	25		—	—	—
70	30	Pacific Copper	62	−3	—	—	—
£15½	750	Pancont 125c	925		—	—	—
40	12	Paringa M&Ex. 5p	25½		—	—	—
570	310	Peko-Wallsend 50c	460	−3	Q15c	φ	2.0
300	50	Southern Pacific	160		—	—	—
164	84	Westn. Mining 50c	133	−5	Q3c	0.7	‡
70	35	Whim Creek 20c	55		—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's
30	23	Amal. Nigeria	24		2.81	1.3	17.4
420	240	Ayer Hitam $M1	375	+5	Q300c	0.5	17.2
60	45	Beralt Tin	52	−1	14.0	4.4	12.1
305	200	Berjuntai $M1	265		Q110c	φ	8.9
180	111	Geevor	180	+5	5.04	5.8	4.2
10½	8½	Gold & Base 12½p	10½		—	—	—
350	220	Gopeng Cons	350	+5	†15.36	0.9	6.7
310	130	Hongkong	310	+20	—	—	—
93	78	Idris 10p	90	+3	‡12.0	1.6	‡
11	7	Jantar 12½p	8½		—	—	—
84	68	Kamunting $M0.50	75	−1	Q12½c	2.1	3.6
640	450	Killinghall	640		Q125	φ	19.6
470	280	Malay Dredging $M1	465		†Q95c	0.8	4.4
78	40	♠Pahang	66		‡Q3.75c	0.5	‡
78	50	Pengkalen 10p	76	+2	6.60	1.3	13.0
270	165	Petaling $M1	260		†Q80c	1.6	7.1
83	49	Saint Piran	82	+2	2.03	6.5	3.7
70	47	South Crofty 10p	69	+1	4.19	2.0	9.1
245	140	South Kinta $M0.50	240		‡Q145c	0.6	13.0
340	230	Sthn Malayan $M1	340	+2	‡Q32.5c	1.1	8.3
240	134	Sungei Besi $M1	220		Q65c	5.3	6.4
85	55	Supreme Corp $M1	75		ZQ10c	—	2.9
100	85	Tanjong 15p	90	+2	6.60	0.8	10.9
100	74	Tongkah Hrbr $M1	100	+10	‡Q56.8%	1.6	‡
270	148	Tronoh $M1	250	+5	†Q88c	1.6	‡

COPPER

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's
104	70	Messina R0.50	72	−1	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's
68	35	Burymin	56		—	—	—
17	9	Burma Mines 17½p	16		—	—	—
300	215	Cons. Murch. 10c	230	−5	‡Q30c	2.6	‡
465	245	Northgate C$1	345	−10	—	—	—
263	164	R.T.Z.	248	−4	9.5	2.8	5.8
90	30	Sabina Inds. C$1	50	−2	—	—	—
£12	750	Tara Exptn. $1	862	−13	—	—	—
85	43	Tehidy Minerals 10p	85		φ1.35	φ	2.4
135	120	Yukon Cons. C$1	155		Q7c	2.9	2.2

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1978 High	Low	Stock	Price	+ or —	Div Net	Cvr	Y'ld Gr's
$15¼	$11	Buffels R1	$11⅛	+⅛	Q170c	1.8	17.6
$11½	820c	East Drie R1	965c	+10	†Q73c	1.7	9.3
585c	339c	East Rand Prp. R1	465c	+5	—	—	—
$26⅝	$16⅝	F.S. Geduld 50c	$22½	+¼	Q315c	φ	16.1
$15⅝	$11	Pres. Brand 50c	$12⅝	+¼	Q150c	φ	13.7
$13½	$10½	St. Helena R1	$10¾	+¼	Q190c	φ	20.4
465c	313c	Stilfontein 50c	430c	+5	†Q22c	2.3	5.9
$22½	$16⅞	Vaal Reefs 50c	$18	+⅛	Q115c	3.3	7.4
$27	$25	West Drie R1	$31⅜	+⅝	Q385c	1.7	14.1
$31¼	$19¾	West Hldgs. 50c	$28¼	+⅜	Q415c	φ	17.0
$12½	895c	Western Deep R2	$11	+⅛	Q82.5c	2.4	8.7

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ♠ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim, reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	
Ash Spinning	49	
Bertam	16	
Bdg'wtr Est. 50p	330	
Clover Croft	26	
Craig & Rose £1	520	
Dyson (R. A.) A	37	
Ellis & McHdy	67	
Evered	27	
Fife Forge	52	
Finlay Pkg. 5p	21xd	
Graig Ship £1	140	
Higsons Brew	77	
I.O.M. Stm. £1	172	
Holt (Jos.) 25p	256	
N'thn. Goldsmith	67	
Pearce (C. H.)	190	
Peel Mills	21	
Sheffield Brick	52xd	−2
Sheff. Refrshmt.	66	+2
Sindall (Wm.)	112	

IRISH

Conv. 9% '80/82	£91	
Alliance Gas	92xd	−1
Arnott	375	
Carroll (P.J.)	100	
Clondalkin	89xd	+1
Concrete Prods.	130	
Heiton (Hldgs.)	49	
Ins. Corp.	190	
Irish Ropes	100	
Jacob	60xd	
Sunbeam	35	+2
T.M.G.	205	+5
Unidare	85	

OPTIONS
3-month Call Rates

Industrials

A. Brew.	6½
A.P. Cement	18
B.S.R.	9
Babcock	11
Barclays Bank	25
Beecham	35
Boots Drug	15
Bowaters	16
B.A.T.	24
British Oxygen	6
Brown (J.)	20
Burton 'A'	12
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	15
Dunlop	7
Eagle Star	11
E.M.I.	14
Gen. Accident	17
Gen. Electric	18
Glaxo	40
Grand Met.	9
G.U.S. 'A'	20
Guardian	18
G.K.N.	22
Hawker Sidd.	20
House of Fraser	12
I.C.I.	20
"Imps"	6
I.C.L.	20
Inveresk	8
KCA	3
Ladbroke	17
Legal & Gen.	14
Lex Service	7
Lloyds Bank	22
"Lofs"	4
London Brick	5
Lonrho	5
Lucas Inds.	25
Lyons (J.)	10
"Mams"	7
Mrks. & Spncr	10
Midland Bank	25
N.E.I.	12
Nat. West. Bank	22
Do. Warrants	10
P & O Dfd.	8
Plessey	8
R.H.M.	5
Rank Org. 'A'	18
Reed Intnl.	12
Spillers	3
Tesco	4
Thorn	22
Trust Houses	15
Tube Invest.	30
Unilever	35
Utd. Drapery	7½
Vickers	15
Woolworths	5

Property

Brit. Land	3¾
Cap. Counties	4½
E.P.	5
Intereuropean	4
Land Secs.	16
MEPC	12
Peachey	8
Samuel Props.	9
Town & City	1¼

Oils

Brit. Petroleum	45
Burmah Oil	5
Charterhall	3
Shell	28
Ultramar	20

Mines

Charter Cons.	12
Cons. Gold	14
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES

Thursday October 26 1978

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Israelis approve treaty in principle

By David Lennon

TEL AVIV, Oct. 25.

ISRAEL'S CABINET today gave qualified approval to the draft peace treaty with Egypt, but is also demanding changes which could lead to very tough bargaining when Mr. Moshe Dayan, the Foreign Minister, and Mr. Ezer Weizman, the Defence Minister, fly back to Washington tomorrow to resume negotiations.

The draft treaty was approved in principle, but the Isaeli negotiating team was instructed to seek a number of amendments proposed by Mr. Menahem Begin, the prime Minister.

Announcing this at the end of a 17-hour debate spread over three days, Mr. Begin added that the final treaty would still have to be voted on and be approved by both the Cabinet and the Knesset.

In an interview published today he said that the peace treaty talks with Egypt could take two or three months in all. The indications are that final acceptance of the peace treaty is dependent on Egyptian agreement to the changes sought by Israel.

The six-hour cabinet meeting today ended with a vote of 15 ministers in favour of accepting the treaty in principle, while two abstained. The overwhelming support for the proposed pact hardly reflected the sharp struggle within the government which necessitated such a marathon debate.

Before this morning's cabinet session, Mr. Zevulun Hammer, the education minister, said he would consider resigning if the original draft was approved. But in the vote he sided with the majority.

Another minister, Mr. Eliezer Shostak, who holds the health portfolio, had been asked this morning by the bulk of his party's parliamentary faction to vote against the treaty, or resign. In the end he abstained and will not resign. The other abstention came from Mr. Yitzhak Modal, the Energy Minister.

Mr. Begin said this evening that Israel would start to expand the Jewish settlements established on the occupied West Bank. He told a meeting of the ruling Likud party in Jerusalem that Mr. Dayan had notified the U.S. of this today.

Professor Yigael Yadin, the deputy Prime Minister said later on Israel television that expansion had been going on all the time. But in the light of recent American announcements about the West Bank it was as well to re-state Israel's determination to expand the settlements.

Hospital dispute talks break down

BY PAULINE CLARK, LABOUR STAFF

BRITAIN'S HEALTH service was dealt a major blow last night when unions in the nationwide hospital supervisors' dispute abandoned efforts for the fourth time to find a solution to the five week old industrial action.

Mr. Len Murray, general secretary of the TUC, will be asked today to intervene in what has proved to be the most damaging dispute ever in the National Health Service, but in the meantime the unions have promised to continue industrial action until a solution is found.

Talks with management at the headquarters of the Advisory Conciliation and Arbitration Service broke down in spite of intervention for the first time by the general secretaries and deputy leaders of the five unions involved.

They also ended on a very bitter note with Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs accusing management of a "complete lack of comprehension" at the concessions made by the unions and the management side insisting it had made an "excellent" offer which could not be improved.

The management negotiating team is composed of Department of Health officers and representatives from hospital management boards.

The failure to find a solution after a total of some 28 hours of talks at ACAS centring on the supervisors' claim for a guaranteed 15 per cent allowance in line with minimum bonuses received by the craftsmen who work under them, come as a serious embarrassment to the Government.

Some 9,000 hospital beds are said to be empty at present as a direct result of the industrial action and 30,000 patients are estimated to have been added to the already long waiting lists. About half a dozen hospitals have closed completely because of the dispute and many hundreds more throughout the country have closed to all but emergency admissions.

The cumulative effects of the restrictions placed by works officers on repairs to hospital machinery is said by hospital consultants to be increasing the dangers to patients every day. The unions have furiously attacked Mr. David Ennals, Secretary for Social Services, for his reference last weekend to patients dying because of the dispute but have conceded that risks increase daily.

Against this background and management's insistence that Government policy on self-financing productivity deals will not allow them to meet the bonus claim, this week sees the start of a threatened major public sector pay battle this autumn. Nearly 250,000 hospital ancillary workers are expected tomorrow to submit a 40 per cent claim in definance of the 5 per cent pay guidelines.

The unions described as "a major concession" their offer yesterday to accept a three-month delay in the payment of a 15 per cent bonus for supervising productivity pay to craftsmen to allow the scheme time to prove it can be self-financing.

Mrs. Rachel Kelly, chairman of the management side and a senior officer in the Department of Health, said however, that payment of the bonus to all would mean abandoning the self-financing principle in a way which would not only affect pay differentials throughout the NHS but also could imperil the level of pay settlements in the rest of the country.

Management had offered instead to examine a scheme to give all supervisors allowances phased to build up to 15 per cent in 12 months' time.

Productivity growth rate accelerates

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PRODUCTIVITY growth rate has accelerated since the beginning of summer—but only at the cost of a faster earnings expansion.

Official figures published last night in the Department of Employment Gazette show that labour costs per unit of output have been growing at a more rapid rate in recent months.

Output per head in the economy between April and June was 1½ per cent higher than in the previous three months, on a seasonally-adjusted basis, and 3½ per cent higher than a year earlier. This follows three years of very slow growth in productivity.

The acceleration in productivity reflects the combination of a marked pick-up in economic activity and little change in total employment.

The growth in North Sea oil production has made a big impact on the productivity figures since few workers are employed in this sector. Consequently, output per head in manufacturing has risen more slowly than in the economy as a whole — up by 2¼ per cent in the year to the second quarter.

Over the year to the April-to-June quarter, roughly that covered by the Phase Three pay policy, unit labour costs in the economy rose by 12 per cent.

This compares with a rise in earnings of about 14 to 15 per cent over the same period and the 10 per cent Phase Three limit.

The figures suggest that some of the pay rises linked to extra productivity may not have been entirely self-financing. So extra output may not only have been bought but over-bought at the cost of a squeeze on profit margins.

The CBI warned recently that there was "a real danger that companies could be giving away in wages at least a part of the cyclical improvement in profitability which is normally associated with a period of rising demand and productivity."

The Employment Gazette shows that the present employment position is slightly confusing. The number of workers with jobs in production industries in Great Britain fell between July and August by 23,000 to 9.07m on a seasonally-adjusted basis.

This was the second decline in a row after several months of stability. Production employment has dropped by 64,000 in the last year.

However, total employees rose by 17,000 to 22.2m between March and June, because of a rise in the number of female workers.

Over the year to June, total employment rose by 34,000; an increase of 68,000 in the female workforce was partially offset by a 34,000 drop in the number of male workers.

The decline in manufacturing employment has been more than offset by a 96,000 rise to 12.77m in employment in service industries, particularly insurance, banking, finance and business services.

Editorial Comment Page 22

Callaghan hints at State aid for Europe candidates

By Richard Evans, Lobby Editor

THE PRIME Minister hinted yesterday that the Government might consider State aid for candidates fighting the first direct elections to the European Parliament next summer.

The hint came at a meeting of Labour's National Executive Committee when it was disclosed that the party has no money set aside to contest the elections, due on June 7.

A deputation from the NEC is to meet Dr. David Owen, Foreign Secretary, and Mr. Michael Foot, Lord President, next Tuesday to seek postponement of the elections. They will also discuss funds for the elections.

One estimate is that the direct elections will cost each main party about £1m. Of that, about £800,000 would be needed for campaigning in the 81 UK constituencies.

In a year when the Labour Party has to fight a general election as well as local government elections and referenda in Scotland and Wales it is held that there is no money available for direct elections.

The Conservatives, although also fully stretched, will be able to raise the money. They are almost certain to oppose any proposal to inject State aid into political campaigning and that would make it difficult for the Government to get legislation through the Commons.

The argument in the executive committee was sparked off by a letter from Mr. Callaghan refusing a Labour Party request that the European elections should be postponed because of the overcrowded election timetable next year.

Mrs. Barbara Castle immediately protested that no date was named in the legislation passed last session, and thus no need to stick by the June 7 deadline. She also questioned who was to pay for the campaign.

The Prime Minister said it would be more sensible to raise the issue of money with Dr. Owen and Mr. Foot, since they knew the technicalities. He added that if the committee would like to submit proposals for State funding, the Government would be prepared to consider them.

The Labour Party is to receive about £70,000 from the European Commission next year but that is to publicise direct elections and must not be used for campaigning.

During the committee's meeting, Mr. Eric Heffer raised the exchange between Mr. Callaghan and Mr. Anthony Wedgwood Benn, Energy Secretary, over the European Monetary System at the joint meeting of the Cabinet and NEC on Monday.

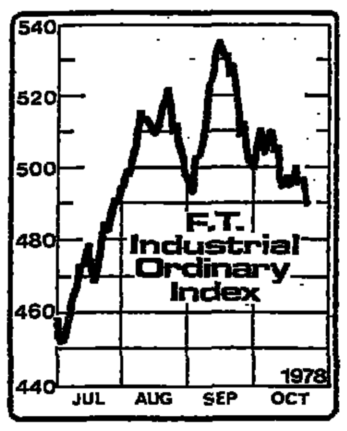
The whole issue of Cabinet responsibility and the role of Ministers on the committee will be discussed next month but Mr. Callaghan said that had there been a debate yesterday he would have spoken "shortly, clearly and firmly."

THE LEX COLUMN

Spillers after the bread shutdown

The chartists were turning bearish yesterday as the F.T. 30-share Index sank through the 495 level off which it has bounced four times in the past few weeks. The Index is now at its lowest for three months. But the latest decline in equities was not being mirrored in the gilt-edged market yesterday.

Index fell 6.8 to 489.7



Spillers

Spillers is on course for the forecast major recovery in profits this year, but there is little evidence that the advance will reflect much more than simple loss elimination. At half time, in fact, pre-tax profits are unchanged at £6m, this being after a £3.5m bread baking loss relating to the final pre-closure months up till April. In the second half there will be no more significant bread baking charges, allowing the underlying profitability of the rest of the group to assert itself and take 1978-79 pre-tax profits to perhaps £15m or a little more. Bearing in mind that last year bread baking losses totalled £9.7m, or some £6.2m more than are likely this time, only a minor basic advance on the £8.5m of 1977-78 is indicated.

Conditions in the food industry are generally tough at present. Grocery profits improved in the first half, despite pressures from the supermarket price war, but promotional spending will be higher in the second six months. Better results are being achieved in meat, grain and the restaurants. The agricultural side, however, is depressed, while overseas results have been patchy. At least Spillers, presumably with the permission of its bankers, is paying the same interim dividend as last year, and if it were only to set the final at the same level the yield at 34½p would be over 7 per cent.

The dollar

The immediate reaction of the foreign exchange markets to President Carter's long awaited anti-inflation policy was a definite thumbs down. The price of gold shot up to a new peak of $230⅝, the Japanese yen, despite massive intervention, popped through the Yen 180 level and the U.S. currency plumbed fresh lows against most major European currencies.

It has been just over a year since the dollar first came under heavy selling pressure. Since then it has declined in terms of the Swiss Franc from around SwFr 2.40 to nearly SwFr 1.50 and in terms of the Deutsche Mark it is down from DM 2.30 to DM 1.78. Confidence in the U.S. currency is now at such a low ebb that President Carter's latest proposals, which had already been well leaked, are likely to have little immediate effect.

The voluntary wage and price controls, even if they work, are not going to result in a sharp deceleration in the inflation rate, added to which next year's Budget deficit of around $30bn still looks unnecessarily high for this stage in the business cycle. Meanwhile, the U.S. authorities have not yet demonstrated their determination to choke off the buoyant credit demand. Most of the monetary aggregates are showing growth well above their target range—over the last four weeks, for example, M1 has been growing at an annual rate of over 10 per cent against an upper target level of 6½ per cent.

There may be signs of an underlying improvement in the U.S. balance of payments position but the foreign exchange markets want to see evidence that the U.S. authorities are prepared to reinforce their wage and price controls with a stricter monetary policy than at present. Until this is evident the dollar is unlikely to stabilise.

Gill and Duffus

Gill and Duffus has been unable to repeat last year's spectacular growth, largely because the commodity markets, particularly the all-important cocoa market, have not shown the same extreme volatility in 1978, nor the same volume. Still, the forecast profits of £21m are very respectable considering that 1977's pre-tax of £20.4m was seen as quite exceptional, that there have been plant start-up costs in the U.S. and Brazil, and that the dollar's decline has devalued profits from the U.S., which accounts for about a third of business. The company also has a record of underestimating final profits.

The Brazilian operation, with a large coffee element, is performing slightly better than in 1977 but sugar remains dull. The balance sheet, already very strong, will receive a further boost from the inclusion of deferred tax from 1977 and the fall in the shares—by 15p to 148p—suggests that profits expectations had become unrealistic. The fully taxed p/e is around 9.

Currency translation

Word from the Accounting Standards Committee is that a revised exposure draft on currency translation is likely to be published early next year. This will mean that a standard is not expected to apply to accounts until 1980. The delay is unfortunate since no other area in recent years has offered finance directors more scope for creativity in group accounts. But such has been the variety of comment on the original exposure draft, ED21, that the working party responsible is finding it necessary to give the whole subjet a basic re-think.

Instead of aggregating the accounts of all overseas subsidiaries and treating translation differences on current items as an extraordinary item (with differences on fixed assets and loans going to reserves), the new thinking is geared much more towards identifying the net assets of each subsidiary. Differences on translating these would go to reserves, leaving pre-tax profit to bear gains or losses on loans relating to UK operations. This reasoning could lead to difficult judgments in some centrally-financed groups.

The only good thing about this delay is that it may give ASC time to benefit from any changes the U.S. Financial Accounting Standards Board makes to FAS 8.

Dunbee-Combex-Marx in China deal

BY ARNOLD KRANSDORFF

DUNBEE-COMBEX-MARX, the international toy group which last week announced first-half losses of £2.96m, has signed a deal worth up to £25m with the People's Republic of China. The agreement is almost identical to one signed with the Soviet Union in 1975.

The Chinese contract comes two days before DCM's directors are due to explain the company's loss to institutional shareholders, who have voiced their concern over previous optimistic forecasts.

The directors had forecast in mid-July that the year would be "in keeping with past profits performance"—1977 profits were £6.4m (£5.9m).

Under the terms of the deal—a minimum £1.25m a year for 10 years, with a maximum value of £25m, over the period subject to individual contracts—the Chinese will buy materials and old equipment (including moulds and machinery) exclusively from DCM in the UK.

The deal is between China National Light Industrial Products Corporation of Shanghai and a new DCM subsidiary, Sino Toy Developments.

Unlike the Russian deal (£2.5m over 10 years), which provides for payment only in goods, the Chinese will pay DCM half in cash and half in toys made mainly from the UK company's own moulds.

The deal also includes a technical services agreement. DCM technicians will initially help to set up four factories in China.

DCM's machinery and moulds will enable the Chinese to manufacture a wide range of toys for domestic consumption, including dolls, trucks and pre-school items. It is expected that China will also use production to export to the third world.

In addition, the agreement gives the UK toy company exclusive UK rights for the distribution of toys made in China from DCM equipment for the next 10 years, and for three years in the U.S., Irish Republic, Belgium and the Netherlands. The Chinese have agreed to buy toy manufacturing equipment and materials exclusively from DCM in the UK.

Mr. Richard Beecham, DCM's joint managing director, said the Chinese had expressed interest in the production of every type of toy, although clearly this would need to be achieved on a progressive basis.

"The agreement can be extended and, with a total population in China of over 900m, the scope is tremendous," he said.

China urges competition

Continued from Page 1

TUC and Ministers

its impact varied with the circumstances of different companies, and with the changing economic scene, he said.

Saying that the general council had given full endorsement to the efforts of its negotiators, he went on: "We are not trying to smuggle in a variant of the Government's pay norm, nor to railroad something through the general council."

He confirmed that special provisions for the low-paid were on the agenda, as well as the problem of securing equal treatment for public service workers if the pay controls are loosened in the private sector.

It is understood that there are moves to give public service workers some linking mechanism with private industry, to ensure that the strict enforcement of Government cash limits does not leave them behind. But there is no unanimity in the general council about this proposal, even though parity is called for in the Congress resolution.

The TUC may seek phased, longer-term deals for some of these public sector groups, following the phased deals for police, firemen, the armed forces and others.

Today the CBI is due to meet the Chancellor, Mr. Denis Healey. It will call for relaxation of the incomes policy around a 5 per cent norm, and will fight strongly against any further price controls.

Tomorrow the TUC six are due to meet Ministers again. If an agreement is outlined then, there could be an emergency session of the TUC economic committee and of the general council to ratify or reject the deal.

Goodison backs insider dealing penalties

BY CHRISTINE MOIR

GOVERNMENT plans for criminal penalties for insider dealing were welcomed yesterday by Mr. Nicholas Goodison, chairman of the Stock Exchange. But he had serious doubts over the relevance of current restrictive practices legislation to the securities market.

"Insider dealing is, almost alone, one aspect of the securities market which could be moved to the statutory arena," he said. "It must be possible to draft legislation, but we must avoid damaging legitimate dealings."

The Office of Fair Trading's decision to refer the Stock Exchange's Rule Book and Listing Agreement to a Restrictive Practices Court won no such approval.

"Legislation set up to deal with metal tubes and then extended to services might not be appropriate for the securities market."

Mr. Goodison claimed that he had no quarrel with the Office of Fair Trading, which was carrying out its statutory duty, but he complained that the OFT had no statutory duty to consider what should replace the Stock Exchange's regulations if the court ruled against them.

On the question of insider dealing, Mr. Goodison said he had been delighted that Mr. Edmund Dell, Secretary of State for Trade, was prepared to leave the proposed Bill open for consultation both before and after its introduction to Parliament.

But much work had to be done to ensure that the legislation worked. The Stock Exchange had still not drawn up its submissions to the Department on the draft clauses. The main areas of concern were the definitions of insider information and how to determine when such information was price sensitive.

It was also vital that investigations, carried out after the legislation was passed, were effective.

The Stock Exchange now monitored 2,000 unusual price movements a year. "I would have thought there would be a tremendous advantage to the Department of Trade if the Stock Exchange kept its function as a preliminary investigator."

In the meantime, the Stock Exchange was going ahead with its own system of regulating insider dealing. The Model Code, which outlines when directors should not deal in their own companies' shares, will be consolidated in the new Listing Agreement, due to be published by the year end.

Mr. Goodison was concerned over a recent Inland Revenue ruling on Capital Gains Tax on traded options. Turnover in the traded options market had slumped in the past couple of weeks, he admitted, partly as a result of the ruling.

Continued from Page 1

Sellers 'will be resisted'

would depend on the effectiveness of the programme.

The council of the AFL-CIO (equivalent of the British TUC) is to pronounce on the new package next Tuesday.

The President also announced today that Mr. Alfred Kahn, head of the Civil Aeronautics Board, will become the new anti-inflation chief. He replaces Mr. Robert Strauss, who is also the Special Trade Representative and who wants to concentrate on completing the Multinational Trade Negotiations in Geneva.

Mr. Kahn, an economist from Cornell University, is the high priest of deregulation. Mr. Carter said last night that the success in removing controls from the airline industry demonstrated the effectiveness of that approach in improving competition, holding down prices and increasing industry profits.

Mr. Kahn said today that he would on no account be party to any subsequent move to mandatory wage and price controls. Those were contrary to his philosophy and to the President's. Mr. Carter explained that it was Mr. Strauss who had recommended that Mr. Kahn, who has made a large impact in a short time in Washington, be given the inflation responsibilities.

Weather

UK TODAY

MAINLY dry with sunny spells after some rain and fog patches.

London, S.E., E. England, E. Anglia

Some rain, sunny periods later. Max. 17C (63F).

Cent. S., S.W. England, Midlands, Channel Islands, S. Wales

Fog patches clearing. Dry, sunny periods. Max. 17C (63F).

N. Wales, N.W., Cent. N. England, Lakes, Isle of Man, S.W. Scotland, Glasgow, N. Ireland

Dry and cloudy, sunny intervals later. Max. 15C (59F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen

Rain at first, sunny periods developing. Max. 16C (61F).

Highlands, N.W. Scotland, Scottish Islands

Cloudy, some rain. Max. 11C-12C (52F-54F).

Outlook: Mostly dry with sunny spells. Fog in south. Some rain in north.

BUSINESS CENTRES

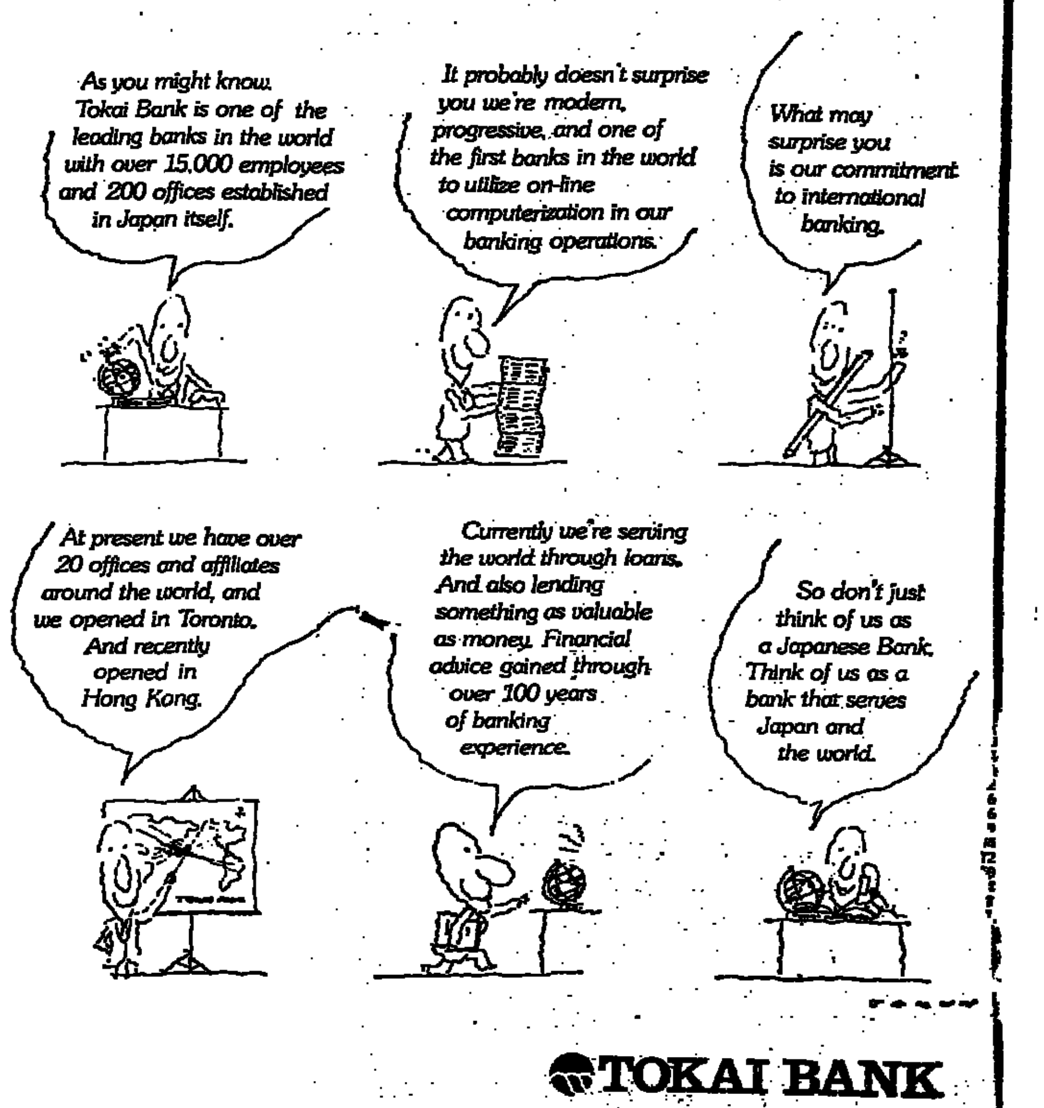
		Y'day midday °C	°F			Y'day midday °C	°F
Amstrdm.	C	13	55	Luxembg.	C	11	52
Athens	C	17	63	Madrid	S	20	68
Bahrain	S	31	88	Manchstr.	C	14	57
Barcelona	S	20	68	Melbourne	C	27	81
Beirut	C	28	82	Mexico C.	S	20	68
Belfast	C	14	57	Milan	Fg	9	48
Belgrade	S	14	57	Montreal	S	9	48
Berlin	C	12	54	Moscow	R	5	41
Brmghm.	F	15	59	Munich	C	11	52
Bristol	F	17	63	Newcastle	C	11	52
Brussels	R	14	57	New York	S	12	54
Budapest	F	14	57	Oslo	S	11	52
B. Aires	S	22	72	Paris	C	15	59
Cairo	S	33	91	Perth	C	20	68
Cardiff	F	15	59	Prague	C	10	50
Chicago	C	9	49	Reykjavik	Sl	1	34
Cologne	R	14	57	Rio de J'o	S	26	80
Copnhagn.	F	10	50	Rome	F	19	66
Dublin	C	15	59	Singapore	C	30	86
Edinburgh	R	10	50	Stockholm	F	6	43
Frankfurt	R	14	57	Strasbrg.	C	12	54
Geneva	C	9	48	Sydney	S	21	70
Glasgow	R	10	50	Tel Aviv	C	28	82
Helsinki	F	7	45	Tokyo	C	21	70
H. Kong	S	28	82	Toronto	C	10	50
Jo'burg	C	18	64	Vienna	F	15	59
Lisbon	S	19	66	Warsaw	C	9	48
London	F	17	63	Zurich	C	11	52

HOLIDAY RESORTS

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	20	68	Jersey	C	15	59
Algiers	S	22	72	Las Plms.	S	24	75
Biarritz	C	15	59	Locarno	S	14	57
Blackpool	C	13	55	Majorca	S	21	70
Bordeaux	S	16	61	Malaga	S	22	72
Boulogne	C	15	59	Malta	F	21	70
Casblnca.	S	22	72	Nairobi	S	27	81
Cape Tn.	S	23	73	Naples	S	20	68
Corfu	S	19	66	Nice	F	18	64
Dubrovnik	F	17	63	Oporto	S	23	73
Faro	S	23	73	Rhodes	F	20	68
Florence	S	16	61	Salzburg	F	11	52
Funchal	F	21	70	Tangier	S	24	75
Gibraltar	S	20	68	Tenerife	F	21	70
Guernsey	C	15	59	Tunis	S	21	70
Innsbruck	F	13	55	Valencia	F	26	79
Inverness	C	9	48	Venice	S	14	57
I. of Man	C	14	57				

S—Sunny. R—Rain. C—Cloudy. Fg—Fog. F—Fair. Sl—Sleet.

A few words about Tokai Bank's expanding international operations.



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